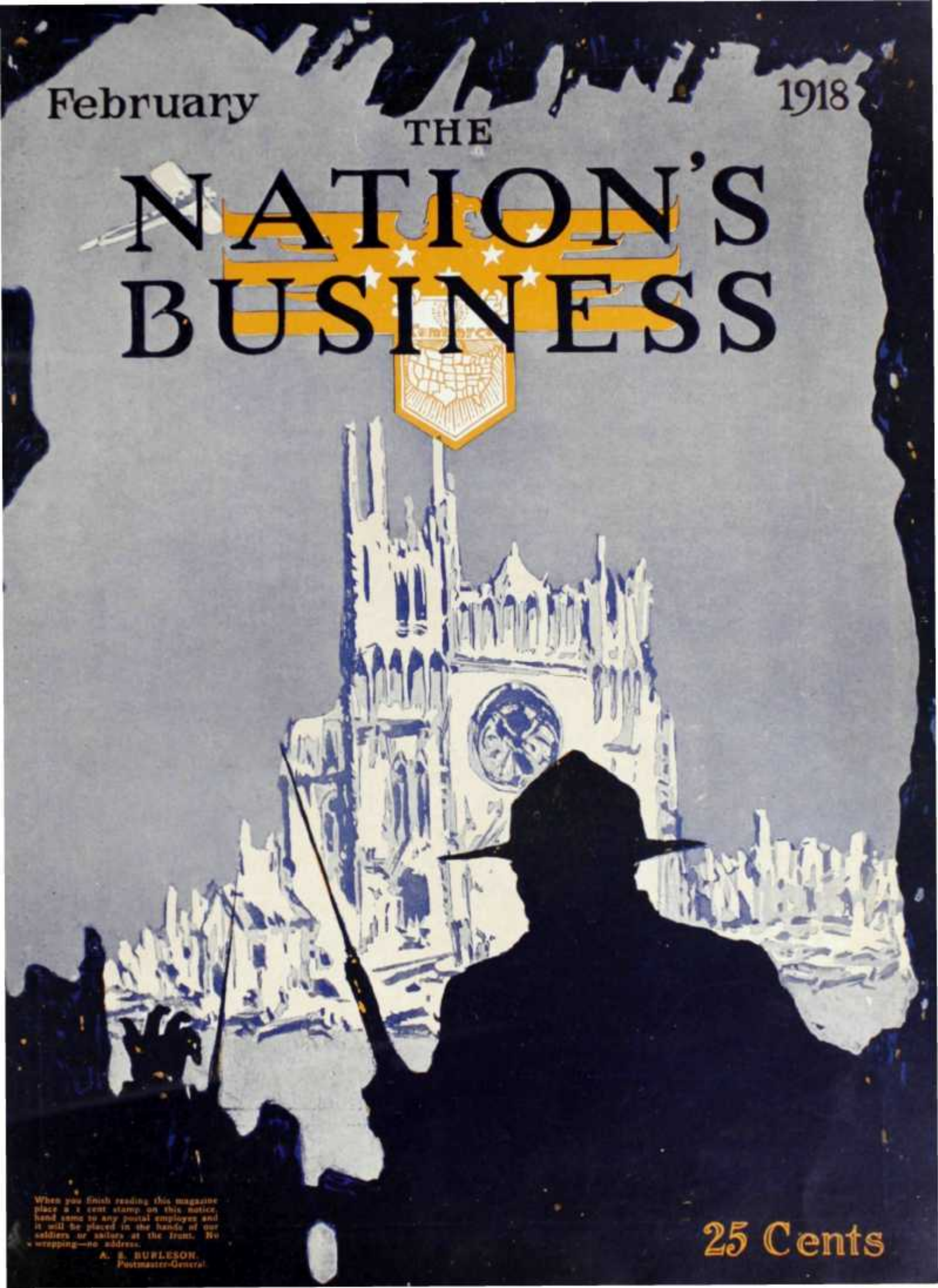
February

1918

THE NATION'S BUSINESS



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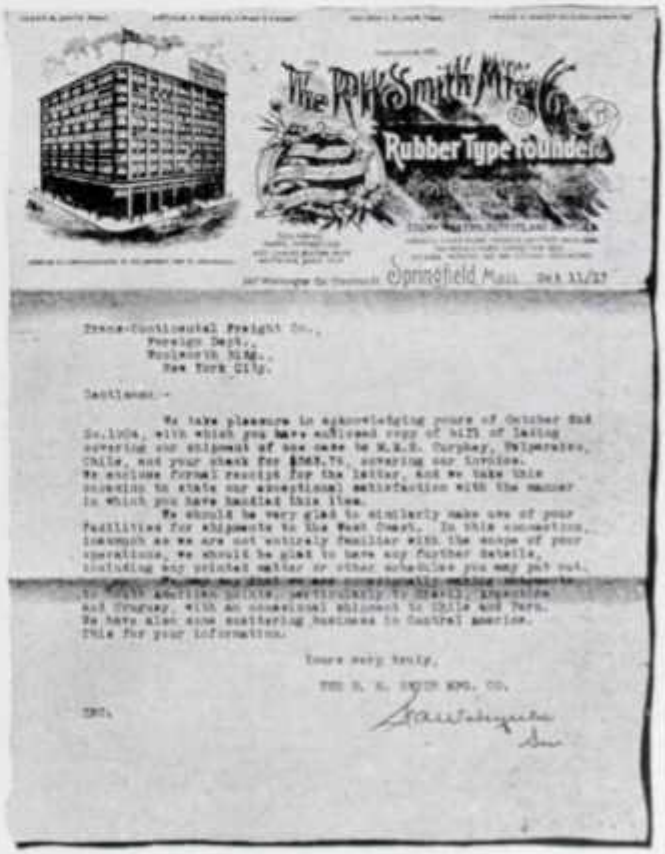
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1888

The Electrical Engineer.

Vol. XXV. MARCH 10, 1898. No. 514.

MISCELLANEOUS

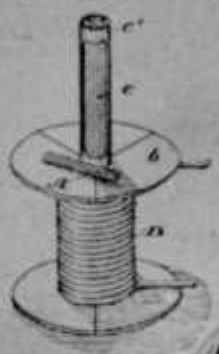
The Late O. B. Shallenberger and His Work.

THE recent death of Mr. O. B. Shallenberger removes an inventor who is most widely known through his inventions in electric meters for alternating currents. His current meter, which was developed in the earliest days of the new alternating current system, has never been excelled in simplicity. Over 1,000,000 have been put into commercial service, and the correct charges for current based on their registration probably exceeds [illegible]

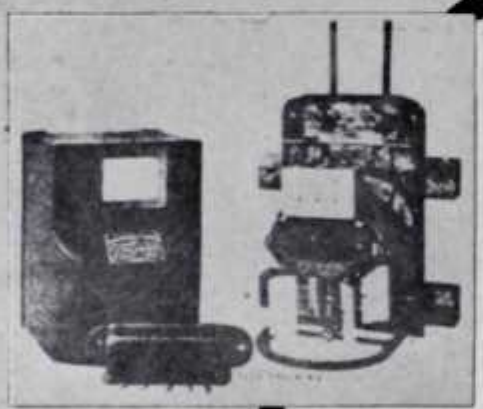
This meter was invented in the spring of 1888. It is difficult to appreciate now how little was then known of alternating current phenomena, and how truly those who were producing alternating current apparatus at that time were pioneers. There was practically no literature on the subject, established theories and principles were few, experience was very limited. The only measuring instruments were the Carhart voltmeter and the Siemens dynamometer. To perceive and grasp the underlying facts and fundamental principles in curious and perplexing phenomena, and to apply them to a definite purpose, and construct from them new and useful forms, requires peculiar insight and acumen.

The rotation of a metal spring which accidentally fell on the

Considered simply as a mechanical device the Shallenberger meter is exceedingly interesting. It is a synchronous induction motor of rotary field motor, in which the moving parts, while having no contact with the actuating circuit, are caused to rotate by the rotating magnetic field which surrounds the non-rotating armature







SHALLENBERGER [illegible]

[illegible] age of an experimental arc lamp [illegible] tion of most people, or would [illegible] nature as something strange and [illegible] watched the action, he investigated [illegible] possibilities, he determined the [illegible] He perceived to a rare degree the [illegible] simple mechanical forces. The simpl[illegible] the apparatus which he constructed wer[illegible] of his keen and clear-sighted method of [illegible]

It is seldom that any device stands [illegible] years and without a servant rival. This [illegible] electrical apparatus during a decade, which [illegible] and residences everywhere. And yet the Shall[illegible] meter, which was invented, experimentally [illegible] in the short interval of two or [illegible] excellence that it has [illegible] other particular [illegible]

A Page From the Past

This page taken from an old issue of the Electrical Engineer, describes the original electric current meter invented by O. B. Shallenberger, who was closely associated with George Westinghouse in the development and introduction of the Alternating Current System in this country. Although this instrument was experimentally developed and mechanically designed in the short interval of two or three months, it had such intrinsic excellence that it has exerted a controlling influence on all subsequent meter designs

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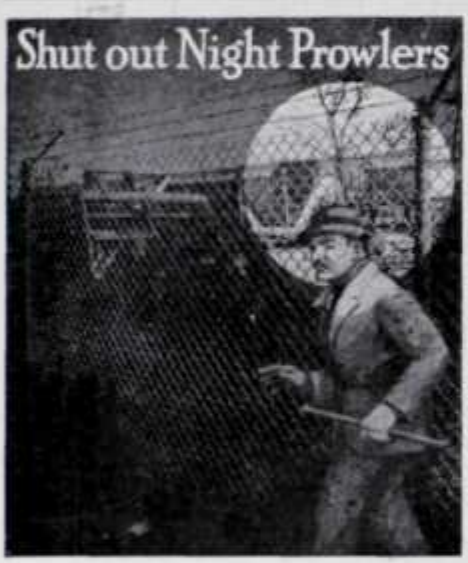
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February

THE URGENT AND VITAL QUE

are bound up in such matters as how it will be affected by priority ruling how the Fuel Administration will regard it in doling out the precious suppli raw materials and transportation. Through its location at Washington a NATION'S BUSINESS is able to publish here a remarkable series government agencies for which they speak. Some of this material was la Washington. Much of it is published here for the first time. A review

Gearing Our Industrial Machine to War Needs Page 7
By Daniel Willard

Any statement from Mr. Willard is of vital interest to business men. What he says here is doubly so, in view of the recent announcement of his resignation as chairman of the War Industries Board. He discusses the attitude of the United States Government toward firms that enter its buying market, and goes into the question of whether it is better to make our present democratic industrial machinery do the work, or to borrow the methods of autocracy and resort to dictators.

Priorities By Edwin B. Parker Page 10

Mr. Parker is chairman of the Priorities Committee of the Council of National Defense, under Judge Robert S. Lovett, Priorities Commissioner. Priorities in these war days, may mean the difference between the success and failure of a company. This article tells how the government operates in giving orders to manufacturers so that plants will place war work ahead of less essential demands. It contains a highly important list showing how the different industries are classified in regard to their war importance.

Each Industry a War Unit Page 12

No longer is the government restricted to dealing with individual plants and localities. Through its war service committee each industry may now have quick and direct contact with government officials and the government, in turn, may get quick action from an industry as a whole. This article outlines this important change in the relation of government and business, and includes the membership of the first committees organized.

Business Pursues Its Course By Archer Wall Douglas Page 13

An unbiased review of business and crop conditions during the month—with a map that gives it graphically to the eye. Mr. Douglas is known for his peculiar faculty of seeing the truth behind figures that do not always mean just what they say. The accuracy of his interpretation is due largely to the fact that his material comes from hundreds of trained observers who have no interest except to get the true word to their chief.

Forward With God! By Vernon Kellogg Page 14

Poor Belgium, too, has a labor problem. Germany's pernicious policy which virtually amounts to the enslavement of Belgian workmen, is the theme of this article by Mr. Kellogg who, as Mr. Hoover's assistant, spent many months behind the German lines in Belgium and France.

Enter—Railroad Control By Samuel O. Dunn Page 15

Not administration of the railroads but unwise regulation it is that has broken down, says Mr. Dunn, Editor of the *Railway Age*. While the writer does not attack regulation he points a lance at certain restrictions which have hampered the railroads in peace time and which became intolerable with the nation at war.

The Thrift Stamp Army—Verse By Elias Lieberman Page 16

From the Kaiser to the Imperial Chancellor By Frank W. Noxon Page 17

Mr. Noxon's conception of what the Kaiser's wants are in regard to the United States and England is set forth in this satire. Taken in connection with recent developments, there is food for serious thought in it.

The Key to the Russian Riddle By J. Ralph Pickell Page 18

In forming the organization that would enable us best to supply our allies and neutrals, the Food Administration had to know accurately the food potentialities of every country. It was easy in all cases except that of Russia. No one knew anything definite about Russia. Mr. Hoover sent a confidential agent to find out. This man was J. Ralph Pickell, Secretary of the Council of Grain Exchanges, Chicago. After months of investigation into every phase of this enormous puzzle, he returned with information which he has condensed here and which brings out one central fact from which the entire situation can be judged.

Commerce

The Nation's Business

Published Monthly by the Cham

As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber, its Board of Directors and committees. But in all other respects, the Chamber is not responsible for the contents of the articles or for the opinions to which expression is given.

MERLE THORPE, *Editor* F. S. TISDALE, *Associate Editor*

ONS FACING YOUR BUSINESS— 1918

ther it is classified as a war essential or shoved to the end of the list; oal; what the plans of the different boards and bureaus are in regard to onnection with the Chamber of Commerce of the United States, THE cles on these subjects. They come from men in charge of the powerful re the recent meeting of chairmen of War Service Committees at eading articles follows:

Boiling Down American Business By Dr. Harry A. Garfield Page 20

A direct statement from the Fuel Administrator for business men. He takes up such matters as: how the government looks on the needs of plants not engaged in war work, and what they can do to help preserve themselves during the fuel crisis.

The Old Order Changeth By James B. Morrow Page 22

Colonel Samuel McRoberts—he used to be Mr. McRoberts when he was managing director of the National City Bank of New York—has just been placed in charge of the Procurement Division of the Bureau of Ordnance. Mr. Morrow takes the case of Colonel McRoberts as a sign and a promise. Men of his type are rubbing shoulders with every sort of clerk and worker, thereby gaining a true and lasting sense of democracy in the fight against the world enemy.

Non-Essential Industry? There Is None By P. B. Noyes Page 24

When it became evident that there was to be a coal shortage this winter, the Fuel Administration decided that there was but one way to increase the supply—that was by a more careful use of fuel. Mr. Noyes was made Director of Conservation of the Administration. He tells here how the man whose business is pressed by industries that have gone to war, may help himself, and how far the Fuel Administration will assist him.

Organize—For the War and the Afterwar! Page 26
By R. Goodwyn Rhett

War forced on industry the necessity for consolidation and the elimination of lost motion. This was to insure the safety of these industries and to make more effective their aid to the government. But they were still fearful of the anti-trust laws. Mr. Rhett, who is president of the National Chamber of Commerce, analyzes the growth and significance of these measures and shows how war cooperation is being regarded by the government.

Editorial Comment Page 28

Where the War Will Be Won. A Crisis in the World's Fever. Exit the Good Old Days. Investigate! Congress Listens to Ben Franklin. Casey Jones Abroad. A Declaration of Chemical Independence. Mr. Poppolous at the Crossroads. Women and Labor.

The Skeleton in Our Foreign Trade Closet—No. 3 Page 30
By William S. Culbertson

Government and business have come to a place in their relationship from which real progress can be made in our economic development. Mr. Culbertson, a member of the United States Tariff Commission, points out that a clear and positive declaration by Congress that American business men are permitted to combine solely for the purposes of export trade is sorely needed. It is a duty which government owes to business.

A White List of Business Books By John Cotton Dana Page 33

Books on commerce and industry are the most valuable tools at the command of the business men. He has not time, however, to read all of them, or even to look into all of them carefully enough to find out which suit his needs. We cast about for the best man in the country to do this job for our readers and finally persuaded Mr. Dana to conduct a regular department devoted to the business man's reading. This article is on buying books for the business library.

Congress Settles into the Harness Again Page 34

A concise review of measures before the national assembly, their status and how their passage would affect business. This material was prepared by the legislative expert of the National Chamber of Commerce.

Who Has the Ship Contracts? Page 40

A list that may be of direct help to your company—and to your government. It shows where the orders of the Emergency Fleet Corporation have been placed and whether accessories are to be bought by the builders or by the Shipping Board. This page may enable you to speed up the ship program by supplying some of the badly needed equipment.

Service For Business Men

ommerce of the United States

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THE NATION'S BUSINESS
A Magazine for Business Men

VOLUME 6, NUMBER 2 WASHINGTON, FEBRUARY, 1918

Gearing Our Industrial Machine to War Needs

Rather than Tear Down the System by Which Government and Business Work Together, the Pressure of Time Demands That We First Strive To Make It Do the Work as It Stands

By DANIEL WILLARD
Chairman of the War Industries Board



THE War Industries Board, was the result of a recommendation made by the Council of National Defense to the President last summer. Approved by him in July, the essence of it all is in one paragraph of the recommendation, and indicates as clearly as anything I could say just why the War Industries Board was appointed. The words I have in mind are:

"The Board will act as a clearing house for the war industries needs of the Government, determine the most effective ways of meeting them, and the best means and methods of increasing production, including the creation or expansion of industries demanded by the emergency; the sequence and the relative urgency of the needs of the different Government agencies; and consider price factors, and in the first instance the industrial labor aspects of problems involved, and the general questions affecting the purchase of commodities."

That is what the board was designed to do.

Perhaps before I discuss that I should refer to the criticism that has been made of the plan, and that is that it does not approach the matter in the right way. It has been held by many—yourself, perhaps, included, possibly myself—that in order to deal with such a large subject as the industrial end of such a war as this it is necessary to have something analagous to the English Ministry of Munitions, with one man in charge of the purchasing and the placing of orders and the handling of all matters of that kind. That statement, I should say, represents the opposite view to the present programme. If that plan were to be adopted it would be necessary, first of all, to have legislation, change the existing arrangement which has grown up in times of peace.

It has been held, in criticism of the present arrangement, that there are some four or five purchasing agencies in the Army, perhaps a smaller number in the Navy, other activities like the Shipping Board, who have to make large purchases, and that it is not possible to carry on such an undertaking with so many different heads, even with the assistance of the War Industries Board, and that it would be better to abolish all those peace agencies, or in some way bring them all under one central head.

I am free to admit that to look at as a plan, as something in keeping with our ordinary business experience, that would seem to be the better programme. That is a programme that I am accustomed to working under as the chief executive of the Baltimore & Ohio Railroad. I have one purchasing agent to whom all requisitions are sent. The plan appeals to me. I think it would appeal to any business man.

There is No Perfect Plan

BUT that is not the arrangement that we have here in our form of Government. It is not what has grown up. And it will require legislation to change the existing plan and put something else in its place.

It has been said that the existing plan is not getting results and that it will be impossible for it to get satisfactory results. That may or may not be true. But I venture this assertion, that any plan that may be created is likely, in such a great emergency, and with such unusual conditions to contend with, to fall short of entire satisfaction. I might say that I was reluctant to accept the Chairmanship of the War Industries Board, because I feared this plan would not afford a plan of getting satisfactory results. But when the difficulties of making a change were presented, I felt that at least it was my duty, as long as I had been asked to do it, to take hold of the situation and do what I could to make the present plan work, and that is what I am trying to do.

That is the thing that concerns us to-day. We have a machine. Can we make it work? If not, the sooner we find that out, find out definitely what we ought to have, and get it, the better for all of us.

Now, let us see what the present plan is, what we are trying to do, and where, if at all, it is likely to fail. Again, I will compare it with the English scheme. It so happened that in England some eight or nine months after the war broke out they adopted over there a scheme very much like the present War Industries Board, for the purpose of doing what we are trying to do, of coordinating different purchasing agencies. And they had it in effect some two or three months and found that it did not work to their satisfaction, and they changed it and substituted what is now called the Ministry of Munitions.

Because that happened in England, it does not follow, necessarily, that we must pursue exactly the same course. On the contrary, when we consider the relative sizes of the two countries, I think we may perhaps well pause and ask ourselves whether such a central organization as the English could be made to work in such a large country as this. We should bear in mind that the total area of England, including Ireland, is less than one half the size of our single state of Texas. That was the territory that was brought under the operations of the English Ministry of Munitions. Our operations are spread over the entire United States. The engineering department in our Army has its branches on the Pacific Coast, in the south, southwest,

northwest, northeast—all around. It is manifest that it would be unwise to try too much centralization with such an organization as that, and try to control it all from one central body.

What we are trying to do with the War Industries Board is this: We are trying to bring together these different agencies, already established by law, most of the departments, I am glad to say, under men who seem to be inspired by loyalty and patriotism, who seem to appreciate the difficulties of the situation, who have under their control agencies, men assistants, who have been familiar with the work for years. All those agencies are there. They are at work and they are keenly alive to the situation.

It is frequently said that one reason why it will not work is because all these different departments are so much impressed with their own importance that they will not be willing to be subordinated to some other agencies and coordinate their efforts. That may be true in some instances. It may be true with some of the under officers. I doubt if it is true of the heads of any of the departments. Certainly I have found no indication that that was true. They are just as anxious, just as keenly interested in the success of our armies and our navies, as you or I. It would be unjust to those men to say that they are not; anything less than that would be that they are not patriotic men, and they are.

One of the difficulties, and the thing that the War Industries Board gave chief thought to at first, was to find out those particular elements or kinds of commodities that would be needed in large quantities, where the needs of the Government would very largely absorb the whole available supply, and the War Industries Board has made a list of such articles. They have arranged in many cases for prices, conditions of delivery and distribution among manufacturers, and no orders are placed for materials on this particular list unless the matter is first brought to the attention of the War Industries Board through the so-called clearance committee, which meets every morning, so that there may be a full understanding concerning the relative wants or needs of the different departments, and so that the needs may be provided for in such way as will best meet the situation and cause the least disturbance.

That practice has been worked out with reference to the more important things, such as iron and steel; some of the scarcer metals; oil and copper, aluminum, cotton goods,—many things of that kind. Other items will be added to the list as time goes on.

The Truth About War Purchases

IT IS not a fact, as it is sometimes believed, that with reference to those particular articles different agencies of the Government are, in an indiscriminate manner, bidding against each other and putting up the price and bringing about confusion. There may be instances where such a thing happens to-day. But I have yet to find the instance where it has had any retarding effect upon the Government's war programme.

While there are many items of the kind I have mentioned, there is an infinitely greater number of items concerning which there is no limitation, apparently no practical limitation, of supply at the present time, where the needs of one department very seldom trespass upon the needs of the other department. The Navy, for instance, concerning articles where the supply is sufficient, invites competitive bids, as it has always done. We see no particular reason why that practice should be disturbed, as long as it seems to work all right. The Quartermaster invites bids on many things where there seems to be no threatened shortage, and where to handle them in the way established by law seems to work no hardships, as yet developed, on industry, or has the effect of raising the prices which the Government is required to pay.

That whole question is under constant consideration, and just what it may be necessary for the War Industries Board to do considering things of that kind later on, the Board has itself not yet determined. But, so far as and so fast as it seems necessary, those various activities are being brought within the influence of the War Industries Board, with the entire cooperation and approval of the heads of the departments involved.

You will hear it said that there is opposition on the part of some of the departments against making such changes. That is only natural. Men whose life work, or whose work for years, has been to see that the needs of their particular department were given prime consideration, are reluctant to let go of that matter, being, as they are, charged by law with the responsibility. They are reluctant to let go until they can feel assured that there is something else to take their place that is just as good, or better; and that is a perfectly proper precaution on their part.

The present plan will work, I am now convinced, if we can have the cooperation of all the essential elements. It is claimed that that is humanly impossible, that that is too much to expect. I was inclined to think so at first. I have modified my view. I may be mistaken. At any rate, with as much at stake as anyone can have in the successful outcome of this war, with a full realization of such responsibility as may rest upon me, I am willing to give the present plan a further trial before I condemn it. And I hope that the men who are here, these committees who have been formed to cooperate with us, and help us carry out this programme, will also be willing to give the present plan a thorough trial before we demand a change, because any change that may be made will at first, at least, be an experiment. We cannot send to England, we will say, and get the proof of their plan and just simply make it effective here, because the conditions are altogether too unlike in the two countries.

That, in a general way, is how that particular matter of purchases is being handled, how we are trying to coordinate it, and I must say that, so far, I have found what seems to be a very hearty and healthy desire on the part of all departments to cooperate in order that we might make the enterprise a success.

Some of the other details are to be considered. One mistake has already been made in the development of our war programme. It was also made in England. I do not know that we can criticise the mistake. It rather grew up before we saw what had happened. It was a very natural thing to do, the thing that was done. But this has happened.

We have concentrated our orders too much in certain localities, and by so doing we have overdrawn on the available supply of electric power in some cases. It has resulted in bringing workmen into localities where there was not a sufficient preparation for housing and boarding, and it has introduced transportation difficulties that are most difficult to solve, and for those reasons, and others which I might speak of in specific instances, it has become very clear that we should stop and consider, before placing any additional orders for munitions, or war materials, whether the placing of the order at this or that particular place is going to aggravate one of the problems I have just mentioned.

THAT matter, perhaps not from that point of view, but for the greater diversion of industry, was made a subject of discussion between a committee of the United States Chamber of Commerce and myself a short time since. The Board, acting under the authority it has, from the Council of National Defense, has created what, for want of a better name, we have called an industrial department, and we have placed in charge of that department Mr. Peek, of Moline, to do this particular thing—to acquaint himself with the requirements of the Government, so far as additional production capacity is concerned, and also to gather and tabulate information showing where, if possible, there are other plants whose activities may have been curtailed by the general war programme, plants of such a character that they could be used to do the particular work in mind.

That matter has been brought to the attention of the War Industries Board by means of numerous letters received from people of this character:

"I have a plant of such and such a capacity, and a power house of so many hundred horse

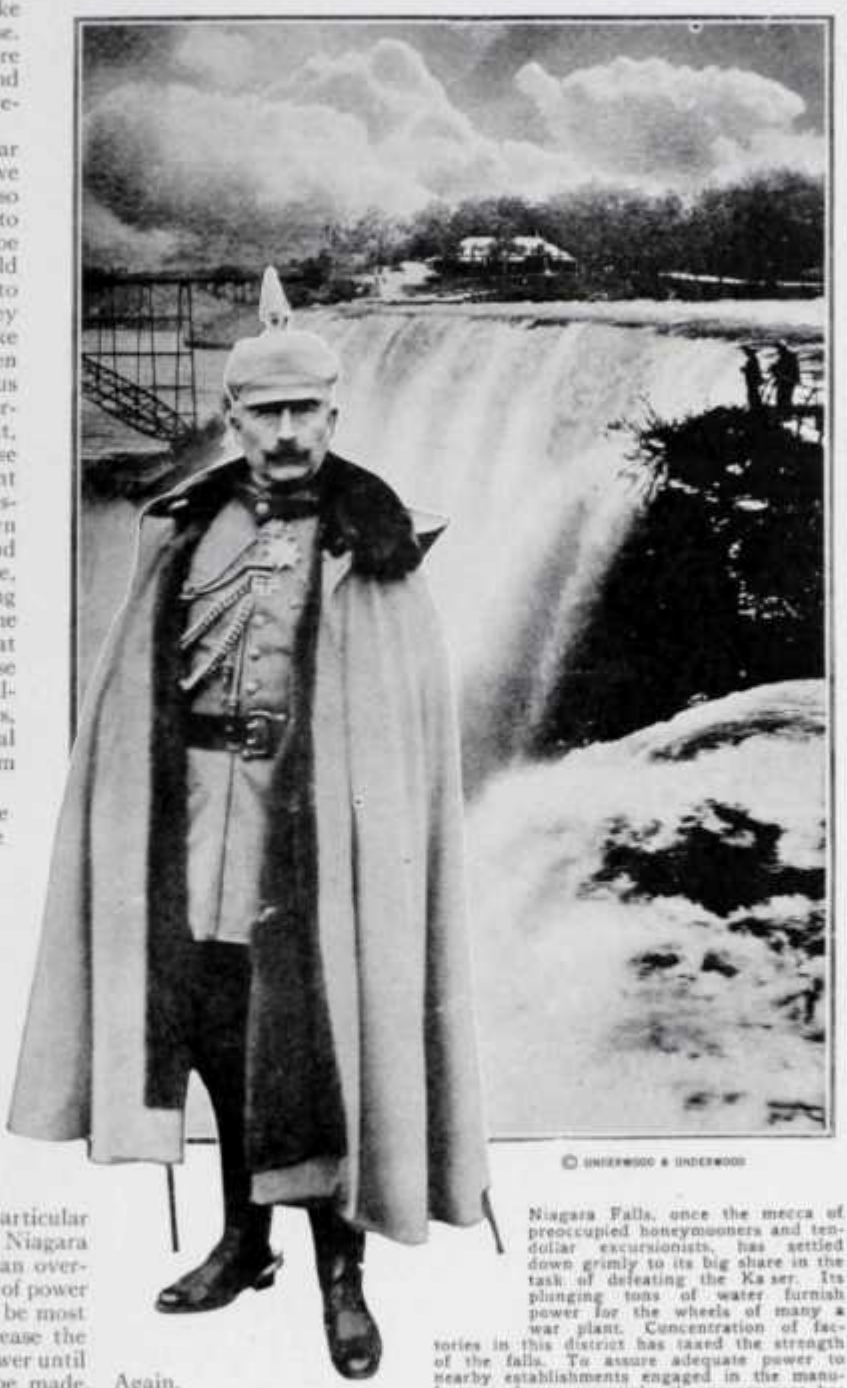
AS WE go to press the news is received that Mr. Willard has offered his resignation as chairman of the War Industries Board. The announcement comes on the heels of the statement issued by the United States Chamber of Commerce pointing out that the new plans of the Government are tending to decentralize war effort despite the fact that all business knowledge and experience shows that lack of centralized authority inevitably results in confusion and disaster. In the light of these events the situation as here described takes on an added and timely interest. Mr. Willard predicts in this article the present plan may fail. From it must come a new order of things in which centralized power, authority, and responsibility will lead us out of the slough of undirection to the heights of victory.

The Editor.

power. I have such an organization and so many workmen. We have been doing such and such things. We find it extremely difficult to get material, because of the demands of the Government; and, besides, the demands for our goods have lessened, and we find that our business is gradually drying up. We would like to do something for the Government. We would like to make something else. Whom can we see? Where can we go? How can we find an opportunity to do something in this emergency?"

It was from that particular point of view, first, that we asked Mr. Peek to join us so that there would be a man to whom such individuals can be referred, whose duty it would be to hear what they had to say, and find out what they had that could be useful, make an inventory of it, and then find out, through the various departments, how that organization, that power plant, those men, could be made use of, and save letting that plant rust in idleness, save the necessity of those men being thrown out of employment there, and obliged to go somewhere else, save the necessity of building duplicate power plants at some other place, building houses at some other place, for those same men to live in who already had their own houses, and all the other incidental things that would happen from unnecessary changes.

I want to repeat that some of the things that are to be avoided are these—the closing of plants; throwing into idleness plants representing large investment, when such plants could be used as a part of the war machinery; avoid the necessity of changing the location of many men and their families when they are already provided with houses and facilities where they are; save the further necessity of concentrating too much manufacturing in one particular center, as has been done at Niagara Falls. There we find that an overdrain has already been made of power that is available. It would be most unwise to very largely increase the demands made upon that power until some readjustment might be made. Again, to avoid adding to the concentration and congestion of transportation in certain sections of the country. That, by the way, is the thing that has contributed chiefly to the congestion that has taken place on some of the eastern railroads.



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Niagara Falls, once the mecca of preoccupied honeymooners and ten-dollar excursionists, has settled down grimly to its big share in the task of defeating the Kaiser. Its plunging tons of water furnish power for the wheels of many a war plant. Concentration of factories in this district has taxed the strength of the falls. To assure adequate power to nearby establishments engaged in the manufacture of war essentials, the government has requisitioned the electric power produced and distributed by the Niagara Falls Power Company, the Hydraulic Power Company of Niagara Falls, and the Clin Electrical Distributing Company.

Victory—With Least Disturbance

BECAUSE a great part of our war industrial programme has been thrown into centers that were already heavily built up, already at the very verge of their capacities, and then over night they have been asked to double, and treble in many instances, and to do it, and do it satisfactorily, means the building of new facilities, new transportation lines, the doing of things that apparently will be unnecessary and wasted when the war is over. We ought not to do that. We ought, first of all, to do anything and everything necessary to win the war. There can be no compromise on that question, and if to do that it were necessary to make everything in Pittsburgh or Philadelphia, or Wilmington, or Bridgeport—we would do it and take whatever went with it.

I cannot say too emphatically how large and serious an undertaking we have embarked upon. There must be no misunderstanding about that. There must be no minimizing the magnitude of what we have undertaken to do. There must be no division. There must be no talk of business as usual. That was one of the most serious mistakes, so I am told, that they made in England in the early days of the war. Business may go on as usual after we win the war. Business cannot go on as usual until this war is settled right.

The war Industries Board is trying, because it feels its duty to try, to make the present machinery, as it now exists, meet the necessities of this situation. There is not a man on the Board who has any feeling or personal pride of discovery or authorship about the present plan. It simply is the plan that is now in effect. We hope it will meet every requirement of the case, and people generally say, "Yes if you can get cooperation, if everybody will help, it will work all right; but everybody will not help." That remains to be seen. I have not yet found one single man when the case was put up to him, who was willing to stand against anything he was asked to do, reasonable or unreasonable.

I WOULD not want you to suppose than unreasonable things have purposely been asked. But I know in our discussions we have made suggestions at times which seemed reasonable to us, but did not seem reasonable to the other man, and after he had explained it to us we saw, ourselves, that our proposition had not been reasonable. Even then, with that understanding, I have not found one case where the man did not come up to the test before it was over with and say:

"All right; we are here to win the war, and if we do not win the war, it does not matter much what happens to anything else. I am here to help."

That is the spirit we have found so far. It is because of that spirit that democracy can be a success. But we must bear this in mind, if we want a democracy, and if we want our form of government, we must take it frankly and fairly, we must recognize its limitations and its imperfections and we must try to overcome those imperfections and limitations, and we can do that if every man, when called upon, will come to the front and do voluntarily and willingly what he would be made to do under an autocracy. That is all the difference. In our kind of government he is asked to do it because it is right. I think that will work. And I want to say this to you, the American business man:

It is just as much your duty to help make this thing go as it is my duty. Neither I nor my associates, nor any other man or body of men, can carry this programme on without the assistance of you and hundreds and thousands of other men like you. If there can be brought to bear in Washington the sum of all your intelligence, the sum of your experience, the potential power of your loyalty and patriotism and your desire to make this thing go—if we can bring that all together without selfishness, without desire to take any personal advantage of the situation—then I have no doubt the scheme as we are working it will be a success.

Anything short of that will be a failure. I cannot believe that you are going to fail in such an emergency.

PRIORITIES A Definite Pronouncement from the Man in Charge Concerning the Plans and Aims of a Powerful Government Agency Whose Influence Reaches Every Office and Plant in the Country

By EDWIN B. PARKER

Chairman of the Priorities Committee, Council of National Defense

I WANT to talk to you just as one business man would talk to another and as business men let us remember that now the nation's business, your business and my business, is war, and that no war can be successfully waged without someone being hurt.

I have no patience with the slogan "Business as Usual," which in my opinion is both misleading and unsound. Rather let us substitute "more but unusual business," stimulated by the gradual substitution of the production of more essential products, by plants and organizations now producing in whole or in part less essential products; which substitution can be accomplished through evolutionary methods which will not seriously interfere with or damage legitimate business, rather than through revolutionary and destructive methods.

The Congress of the United States has, at the request of our President, declared the existence of a state of war between this Government and the Governments of Germany and Austria-Hungary. The practical effect of such declarations was the drafting for war of every man, woman and child owing allegiance to the United States and to conscript, subject to mobilization, all business, all industries, all labor, plants and capital within its jurisdiction.

In view of such declaration, no loyal citizen has the right to question the propriety of the Government entering the war or continuing in the war. As well permit the individuals composing the rank and file of the army to determine by vote whether or not they will continue to fight as to permit any individual unit of the great civilian army to question the righteousness of this war or his duty to render whatever service he may be called upon to render by the duly constituted Governmental authorities.

"I am anxious," Mr. Parker says, "to get the whole scheme of priorities clearly before not only the members of the Chamber of Commerce, but the business men of the whole nation. It seems to me extremely important that we should take the public into our confidence and that they should understand not only what we are trying to do, but the reasons therefor."

The committee of which he is chairman works under Judge Robert S. Lovett, Priorities Commissioner. It deals solely with priorities in manufacture. Railroad priorities are now in the hands of Mr. McAdoo, Director General of Railroads. When an order is placed by the government with a factory, the purchasing official usually applies for a priority order. If granted, this goes to the plant and assures that government needs will be filled before those of less importance. The operation of this system is explained here.

Selective Conscription of Industries

THE controlling factor in modern warfare is the efficient coordination of the activities of industries and transportation with military operations. Herein lies the reason and the justification for the creation and the existence of the War Industries Board; the work of which naturally divides itself into two general classes:

Increase of production to meet demands or curtailment through substitution or otherwise of demands to meet production.

Distribution of production where the supply is less than the demand, to the end that demands may be met in the order of their urgency.

The second general class involves priority, of the purpose, progress and plans of which I am going to discuss.

The enormous demands made upon the industries of the United States for the adequate and efficient prosecution of the war by the United States and its Allies have of necessity created an abnormal condition affecting prices, production and distribution of commodities generally, and it is the task of the Priorities Division of the War Industries Board to mitigate, as far as possible, the detrimental effects of such abnormal conditions, and where the supply is less than the demand, divert the production into such channels as will most contribute toward winning the war.

The public has been accustomed to purchase priority in order to secure prompt delivery and hence the unusual demand created by abnormal war conditions has resulted in abnormal and unusual prices, having no relation to the cost of production plus a reasonable profit.

When the public understands that it can no longer purchase priority, but that priority in production and distribution will be accorded by a wholly disinterested Government agency, tested solely by the public interest, then all incentive for the payment of a premium for precedence in production and delivery will be withdrawn and prices will naturally seek their normal level.

The paramount purpose of priorities is the selective mobilization of the products of the soil, mines and factories for direct and indirect war needs, in such a way as will most effectually contribute toward winning the war. This necessarily involves the relegation to the bottom of the waiting list of all projects and undertakings which do not directly or indirectly so contribute.

The soil must be made to yield abundant foodstuffs and food; the mines and oil wells to yield ores and fuels to the maximum capacity of their plants and available man power; the factories must not only utilize to the fullest extent all available raw materials, but expand their facilities and increase their capacity to a maximum to digest and assimilate the increased production of raw materials on the one hand, and supply the increasing demands for consumption on the other; and the transportation lines constituting the great arteries supplying and distributing the products of the soil, mines and factories must, as a war measure, be built up, strengthened and brought to a maximum of efficiency. This means not only that the supply and distribution of the *direct* war needs must be regulated through giving precedence or priority according to the urgency of the demand, but that priority assistance must be extended where necessary to those institutions which produce war needs, directly or remotely, that they may, where necessary, increase their production. This also means that through a process of evolution the production of all non-essentials or less-essentials shall be curtailed, or if need be eliminated to the end that the plants now utilized in their production, the material now consumed in their production, and the labor now employed in their production may all be utilized to the fullest possible extent toward increasing the production of the more-essentials in cases where the demand exceeds the supply. This is only another way of saying that all the labor, all the capital, all the industrial organizations, all the agriculture, mining and transportation activities of this Nation shall be drafted and mobilized for war.

In order to carry into practical effect the theory of selective conscription of the industries of this country, Judge Lovett as Priorities Commissioner has set up an organization which undertakes through the issuance of priority certificates to classify all essential orders and work where the demand exceeds the supply by dividing them into three general classes:

Class A, Class B and Class C, with subdivisions of Classes A and B indicated by suffix numbers, viz: Class A-1, A-2, A-3, A-4, etc. etc., and Class B-1, B-2, B-3, B-4, etc. etc.

Concerning Delivery Rates

ALL orders and work in Class A take precedence over orders and work in both Classes B and C, and orders and work in Class B take precedence over orders and work in Class C, *irrespective of the dates the orders may be placed.*

Likewise orders and work in Class A-1 take precedence over orders and work in Class A-2, and all lower classes; and Class B-1 takes precedence over Class B-2 and all lower classes. The classification of orders simply means that they shall be given such precedence over orders of a lower classification as may be necessary—and *only* such as may be necessary—to insure delivery on the date specified in the order.

Such classification does not mean that work should cease on orders of a lower classification, or that the order should be completed and delivery made in advance of orders taking a lower classification, if this is not necessary to effect delivery within the time specified. The producer of raw materials or manufactured products to whom a priority certifi-



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Machines for our flying men are some of the war necessities that have precedence over "usual" orders. Persons who had imagined that our airplane programme was completed with the enormous appropriation made last year were surprised to learn that the head of the Signal Corps has asked Congress for over a billion dollars for the next fiscal year for the aviation side of warfare. A famous French General says to America regarding airplane preparation: "Every three months the entire number of effective machines must be renewed; this means that one-third of the total must be rebuilt each month. Equip yourselves as if it the war were going to last ten years, but speed yourselves as if it were going to end in six months."

cate is directed should make his own production plans so as to get the maximum of efficiency out of his operations, making all deliveries at the time contracted for if possible, but where this is not possible, giving precedence to the orders taking the highest classification.

As between orders in the same subdivision of a class (as Class A-1) save where otherwise specifically requested by the Priorities Committee, *the date of delivery contracted for will control* unless this will operate to delay the delivery required by an earlier order of the same class—in which event the earlier order will have precedence in delivery. For example: Two orders—Order X and Order Y—are both covered by A-1 certificates. Order X is dated October 1, 1917, and calls for delivery February 1, 1918. Order Y is dated November 1, 1917, but calls for delivery January 1, 1918. As between these two orders preference will ordinarily be given to order Y *because it calls for an earlier delivery date*. If, however, such delivery will delay the completion of Order X, then preference should be given Order X *because it is the earlier order*. It goes without saying that if possible both orders will be completed on the delivery dates called for. The dates of the certificates themselves are not controlling.

When a manufacturer finds that a large per cent of the capacity of his plant is covered by certificates of the same subdivision of a class, he should call this situation to the attention of the Priorities Committee, so that if desirable his schedule may, in conference between such manufacturer, those placing the order and the Priorities Committee, be either re-classified or the schedules within each subdivision of a class re-arranged and re-graded so as to insure the most urgent orders having precedence without unnecessarily interfering with the efficient management and operation by the manufacturer. The Committee stands ready at all times, on proper notice, to reconsider and re-grade individual schedules in conference with all parties at interest, and to that end has created a sub-committee on re-grading.

When Priority Certificates Are Needed

NO industry, plant, material or commodity will be classified as such. Only specific orders for material, commodities or work are classified according to their importance in war preparation or in work necessary to the public interest and essential to the National welfare or otherwise of exceptional importance.

Speaking generally, Class A comprises war work; that is to say, orders and work urgently needed by the United States or its allies to carry on the war, such as arms, ammunition, destroyers, submarines, battleships, transports, merchant ships, or other water-craft, airplanes, locomotives, etc., and the materials or commodities required in the production or manufacture of same. Class B, speaking generally, comprises orders and work which, while not primarily designed for the prosecution of the war, yet are of public interest and essential to the National welfare or otherwise of exceptional importance.

Class C comprises all orders and work not embraced in either Class A or Class B, and no certificates will be issued therefor. All orders for work or material not covered by priority certificates will fall within Class C.

Save in very exceptional cases, priority assistance will be accorded only where the demand exceeds the supply, therefore where there is no shortage in the available supply of a particular raw (*Continued on page 54*)

Each Industry A War Unit

Passing into the Second Stage of Business Mobilization, the Nation Will See the Government in Direct Contact with Men Who Represent the Pooled Resources of Their Industries

WHEN war came the nation faced two supreme tasks: Mobilization of man power, and mobilization of industrial resources.

Industrial mobilization meant first and foremost, the organization of industry to supply Allied war needs, but only secondary in importance was the maintenance to the highest degree of activity which war conditions would permit, all those other lines of production, industry and trade, which contribute to the wealth of the country, maintain the comfort of its people, provide employment for its labor, and build up its foreign trade.

The problem of industrial mobilization was therefore a dual one.

Because the nation entered war admittedly unprepared both in a military and industrial sense, it rightly gave first attention to supplying war needs. It of necessity called on industrial mobilization to wait until the initial stress of war preparation lessened.

Many believe it will be a long war and that our resources will be taxed to the utmost. The time has come when every unit, every solitary and individual unit, of our industrial strength must be utilized to the one end. New factories must be established; labor must be transferred from non-war to war industries; plants capable of war production must be switched over and adjusted.

No one to-day believes that business can be as usual. No industry is as usual; this one expands and this one must contract. Action and reaction are equal. The war demand will be excessive; the call for labor, for fuel, for food, and other war necessities, will affect each and all. Realizing this, each particular industry must, in its own interest and in the interest of the nation, gather its members together in such manner as will permit the Government to understand and analyze its interests that it may know what steps are necessary to prevent its extinction and to permit it to operate in the fullest degree that the requirements of war will allow.

A WORD FROM THE WAR SECRETARY

I WELCOME again the opportunity of saying to business men what I said to the War Convention of American Business called by the United States Chamber of Commerce in Atlantic City in September. We have one army in the field, but we have another army of industry, whose effective organization is essential to our success in the prosecution of the war. It is important that this organization shall be worked out by the industry itself in a truly democratic and representative manner. The problems presented are so difficult, that unquestionably the knowledge and experience of business men should be made available to the government and this can be done by organization such as you propose. The degree to which any such organization can be helpful will depend, of course, upon the organization itself, and the way in which it responds to the emergency.

NEWTON D. BAKER,
Secretary of War.



An Effective Point of Contact

COMMITTEES of the Council of National Defense having done their work, are to go out of existence. They were formed to deal only with war industries and were not, except in isolated instances, committees of the industries themselves.

To take their place War Service Committees, brought into existence at the instigation of the Chamber of Commerce of the United States, are being organized as the only means by which industries and Government can find prompt, simple, and effective point of contact. Through them an industry can get the ear of Government within a few hours. Through them Government can call out 100 per cent of a given industry within a few hours.

Industrial mobilization, a part of the plan for national defense, was endorsed by the National Chamber, April, 1916, by referendum. The action of the Council of National Defense in establishing certain industrial committees at the beginning of the war stood in the way of any other form of complete organization until now. At the War Convention of American Business, Director Gifford, called attention to the probable demise of existing committees and the advisability of establishing new committees of the industries themselves to take their place. Resolutions were adopted calling upon every industry to organize War Service committees which were followed up immediately through letters and bulletins to existing commercial organizations representing special lines of industry and trade. On December 12, the chairmen of all committees then organized were called into conference at Washington and voted unanimously that an existing committee of the National Chamber known as the War Service Committee should become the centralizing agency for the organization of all industries throughout the country.

Trade organizations, representing a particular line of industry or trade, have existed in large number and for many years in this country. Because in some instances they have been found through legal processes or official investigation, to have been formed for the purpose of fixing prices in violation of the Sherman Law, Government officials have failed to realize their essential importance. This importance is being brought home to them in this time of extreme need.

Mr. Edward N. Hurley, chairman of the United States Shipping Board, while at the head of the Federal Trade Commission, did a great service to American business in pointing out the many useful and, indeed, vital functions performed by trade organizations in building up sound and sane business in this country. On the other side, many big business men and manufacturers, because of their strength and independence, have equally failed to understand the significance to them of associations for furthering their line of work. But, again, the exigencies of war are bringing them to a fuller realization of it.

The War Service committees of American industries must be broader than existing organizations. The existing organization is merely the most proper and immediate agency for bringing about the cooperation of the entire industry, and thus permitting the entire industry to be represented in Washington by a small committee with full power to act.

Officials of the Fuel Administration, of the Commercial Economy Board, of the new division of the Council of National Defense known as the Industrial Resources Division, which has undertaken the gigantic task of adjusting industries to war conditions, are ready and eager to deal with these committees as fast and as far as they are fully organized to be representative of an entire industry. If American business fails to respond to this call it ill betides American industry; but it will not fail as such organization is in line with the genius of American business.

Rapid Adjustment Needed

WE have not yet gone far enough in the war to feel severely the pinch of war necessity upon industry and trade. Adjustment is taking place slowly,—it will have to proceed with far greater rapidity. New adjustments must be made; they will mean a critical situation for many. Organization is the only remedy. No Fuel Administrator, no Priority Board, no adjustor of industries, will wittingly take action to wipe an industry out of existence—as, for instance, florists might be wiped out of existence in twenty-four hours through a denial of coal.

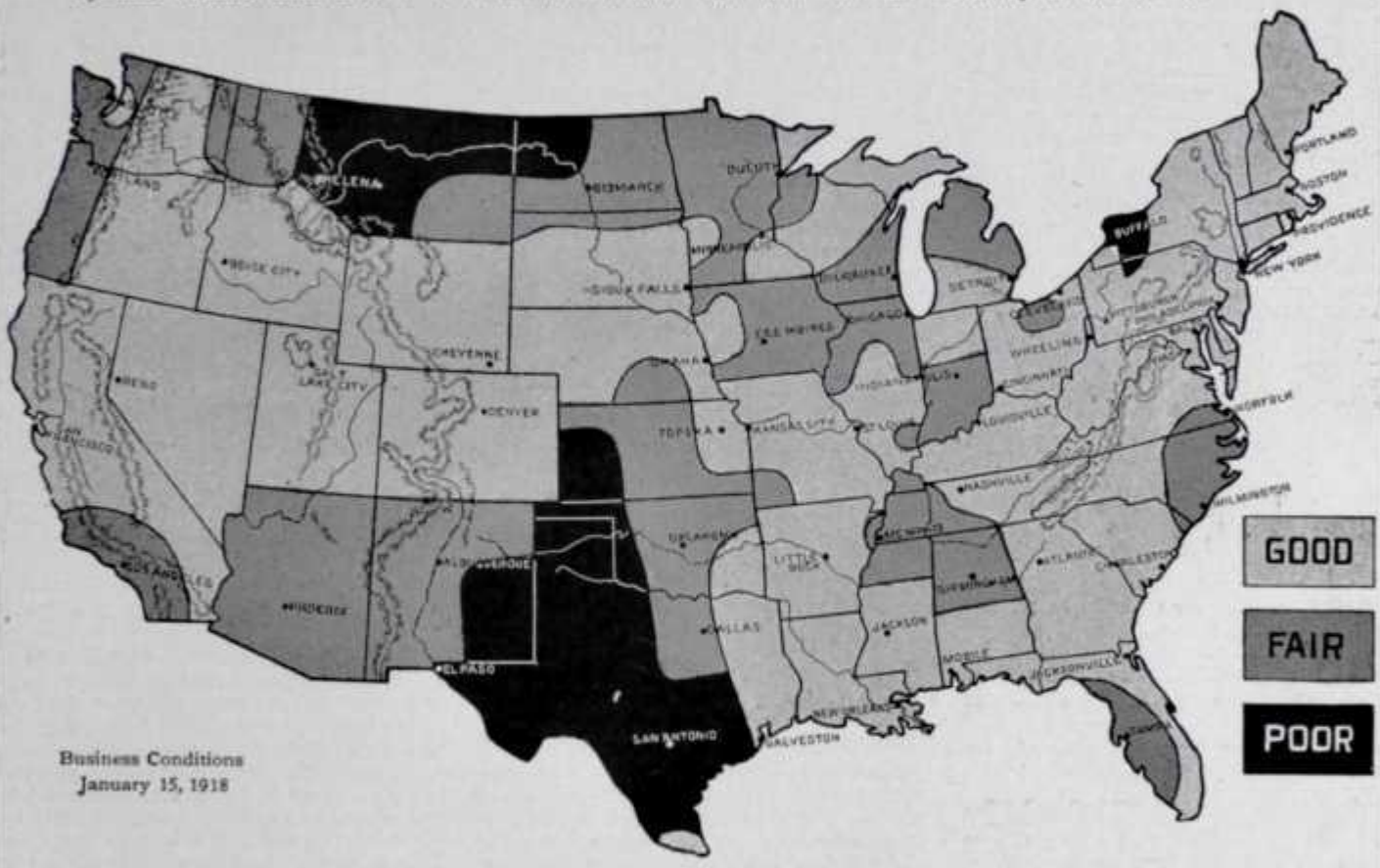
In great need or stress of war action may be taken unwittingly which will destroy or seriously impair. The (*Continued on page 50*)

Despite the Forebodings of Cloistered Economists, Business Pursues Its Course through the Dangers of War

By
ARCHER WALL DOUGLAS

THE matter of most moment at present in the world of commerce is the general attitude of the great consuming public towards the future and its likelihoods. For in the last analysis, confidence is the basis of all business prosperity, while doubt and apprehension mark the beginning of the end of good times.

There is a general belief among those who seek to "educate the public," that the Hydra-headed many need to be dry nursed along the thorny paths of life by much counsel and advice. It is a vain delusion. Not infrequently it is of that kind which carried to its logical conclusion would put a damper on most business. Fortunately the average man has that sense of proportion which constantly adjusts itself to ever changing conditions. Also he has the elemental notion that the primary use of the dollar is to circulate and not to be locked up in a savings bank, and that business thrives upon spending and not upon saving. Yet withal he realizes that the times are out of joint, and that there must be some enforced saving and also enforced economy if we are to



Business Conditions
January 15, 1918

What the average man really wants—and rarely gets—is a plain unvarnished tale of facts, set forth simply and impartially, that he may draw his own conclusions and form his own judgment. In the stress and emergency of the times, when it is so difficult to keep in the "middle of the road," it is of all things most important that the people preserve their native common sense and judgment that they may discern those things which are essential on their own part to the successful conclusion of the great task we have undertaken, as distinct from those matters in which we may go on much as before.

The situation is constantly obscured by unending and constantly conflicting advice in the daily press, often from those whose names carry weight, so that in the multitude of counsellors we often find as much confusion as wisdom.

There is constant urging, often from high financial quarters, of absolute saving and most drastic economy, accomplish the very serious job we have undertaken. So after his fashion he is picking and choosing as to where he shall economize, and is doing it with remarkable unanimity all over the country in much the same way and after much the same fashion.

What curious forms this assumes can best be illustrated by a homely instance. In the severe cold and blizzards of December there was much of the Middle West where ice skates, snow shovels and boys' sleds, sold only after the most scanty fashion. Evidently they are luxuries and non-essentials. Meanwhile automobile sundries and fixings went on selling much as usual. Evidently they are necessities and essentials. The principal difficulty is to anticipate the trend this attitude of mind will take. Only the retailer—he knows—can at all do so, for he makes his living by outguessing the consumer.

This is the story of business to-day, and how and why it is that some lines are falling off in demand and

will continue to do so, while others still hold their own, even though they are often the very ones that the logical prophet would forecast as being the most likely to be adversely affected by the present situation.

It is not so much a matter of self-denial on the part of many, as of substituting something else that seems to answer as well, and of making old things last longer, rather than buy new ones. For it is a very human and uncompromising fact that the average person in his daily life has started in by getting along without those things which are the easiest given up. The real problem which seems to present itself to the average man is that business should go on as nearly the same as is possible under the circumstances, since upon the business world falls the principal burden of the financial support of the war.

So business is going on very well in most lines, though not in all, with the perfect consciousness that it cannot be so always, and that it must adjust itself promptly and cheerfully to each new phase of the situation. There is one note of alarm, with its disturbing effect, which is being constantly sounded, often by theorists and cloistered economists, as to the possible danger of inflation, and of consequent far higher prices than those now prevailing, and which will accentuate and aggravate an already tense situation. These Cassandras of woe usually accompany such prophecies of disaster with the statement of that antiquated economic superstition that the constantly increasing volume of currency must necessarily result in higher prices of commodities, which of course puzzles many, who have seen the prices of so many important commodities decline within the past six months while the volume of currency went on increasing, and who are conducting their business on the basis that the day of speculation is over.

The general thought is that the atmosphere of war's effects will probably keep prices at a high level during the continuance of the conflict, but that the working of the natural laws of supply and demand cannot be denied, and that as production overtakes demand—as it has in many staple lines—prices must recede, even though this be gradual and without demoralization.

In general there prevails that unchanged confidence in the soundness of our currency system, and of the Federal Reserve Bank, which has been so marked since the new ways went into effect. There is also the feeling that the danger of inflation lies in the possible depreciation of an unredeemable currency—not yet imminently forbidding—and that the real question is one of the quality rather than the quantity of our circulating medium.

THE constant talk of peace has small effect upon business policies, since peace yet seems afar off, and war is very real and getting nearer all the time. There is some thought, however, of the shock of readjustment which peace will usher in, and of the beginning of the end of the reign of high prices, and how all the king's horses and all the king's men of an abounding volume of currency will never be able to set the Humpty-Dumpty quantity theory of money on the wall again. While the general condition rests for the nonce largely upon the attitude with which the business world, unafraid, faces the future, it is well that material conditions continue so strong.

There are not many crops growing now. Much garden truck in the South, and westward to California is doing well, despite some hurt by cold and frost. Also there is much winter wheat, and that seems to be progressing, though in Kansas and Oklahoma it needs moisture badly and has been exposed to unusual low temperatures.

GOVERNMENT demands continue to make scarcity in many lines, and lack of cars is a serious handicap to all business. Mining and manufacturing are very busy, but still suffering from acute shortage of labor. Shipbuilding seems to have struck its stride. The map changes are few, a brightening in the extreme southeast Texas in the Brownsville irrigated district, and a change for the better in western Oregon.

The thing of most present import is the Government control of the railroads, which is designed to end an impossible condition. Heretofore the problem seemed insoluble from many causes, one of the most difficult being the apparent inability of making rates which should be fair to all roads and also fair to the public who pay the freight. At one end of the spectrum is a road mismanaged and bankrupt because it has been for years the football of stock jobbing and gambling, and at the other a road always well managed and running through a rich and prosperous country. A rate that is obviously unnecessary to the latter is too small to help the other out of its troubles, so the plea is to make rates on the basis of the average road, but that does not alter the obvious inequalities.

So possibly the emergency of war may bring a central control and a common purpose, resulting in both economy and efficiency, cutting the Gordian Knot of the railroads, which has so hopelessly perplexed us.

FORWARD WITH GOD!

By VERNON KELLOGG

THE Germans would prefer to have the Belgians work voluntarily for them rather than try to drive them to this work by deportation and pressure.

The inducements held out to Belgian workmen are shown by the following quotations taken from a poster recently put up all over Belgium by the German authorities:

There are sought for, to work in Germany, experienced workmen for factories, furnaces, blast furnaces, steel-works, rolling mills, as well as fitters, blacksmiths, drillers, riveters, coppersmiths, electricians, bricklayers, zinc-workers, workpeople of all grades and all trades.

Workmen will be paid and treated according to their capacity, on the same terms and at the same rates as the German workmen of the same scale, whilst profiting by the high wages obtaining at the present time.

They may freely dispose of the salary earned, and may send money for the upkeep of their families, with whom they also correspond freely.

Contracts will be made for an engagement of 4, 6 or 8 months at will; the signing of the contract guarantees that the salary, the duration and conditions of the contract, of which a copy will be given to the contracting party, will be strictly observed by the employer.

To provide for immediate needs, a considerable money bonus is offered to the family of the workman, payable immediately on his departure. Besides this, the families will receive a monthly benevolence in money during the absence of the man engaged and this will serve to alleviate present poverty.

Besides these important aids granted absolutely gratuitously to the families, the amount of which increases with the number of the members of the family, each workman will receive immediately on signing the contract a personal premium of 50 franks which will permit him to procure the equipment necessary for his journey.

It is understood that the amounts of the benevolence money will not be deducted from the wages.

When one remembers that the Belgian workmen and their families are now living only by aid of the Relief organization, and on rations perilously near a starvation basis, it can be understood what fortitude and patriotism it requires to resist this glittering bait.

However, they know that some of the glitter may not indicate gold but may hide steel or scraps of paper. For example, take the naive statement that "the signing of the contract guarantees that the salary, the duration and conditions of the contract, of which a copy will be given to the contracting party will be strictly observed by the employer."

Copies of German contracts apropos Belgian affairs have been given before to the contracting party, and yet some way this did not seem to guarantee a strict observance of them.

In addition to these inducements of wages and benevolence to the workman and his family there is always the further inducement—not voiced, but always to be understood—that if the workman does not volunteer to leave his home and country to work in Germany in factories that are creating the things that help sow death among his sons and brothers, his friends and the Allies who are fighting for him, he may be forcibly deported to Germany and there punished by beatings and starvation if he still refuses to work. That, also, is an inducement.

In October (1917) 680 Belgian children arrived in Evian-les-Bains on a single train; they were all between the ages of four and twelve; they were emaciated and sickly; and they were alone—no mothers, no big sisters, no fathers. They were sent out of Belgium by the Germans to Switzerland and thence to France to be cared for. Two-thirds of them had been taken from their parents because their fathers would not work for the German army and were being starved into submission and the mothers were willing to let their children go rather than see them starve.

THINK of that line of weak little motherless things, climbing down from the train and marching along the platform as bravely as they could, into the hands of kindly, but unknown foster-mothers and big sisters. Can you picture any more incredible and poignant sight in all the war? Well, that is something of an inducement for the Belgian workman to take the wages and the benevolence offered him by the Germans.

But to the glory of Belgium it can be said with truth that very few of its working men have chosen the easy path. As a mass, the common people of Belgium whose sufferings have been real and continuous for three terrible years and are ever increasing in this fourth year, have held out against seduction and coercion, against wiles and clubs and starvation, and are to-day if facing death, facing it standing up.

Enter—Railroad Control

With an Eye to the Future, the Country Looks On as the Government Struggles to Solve the Transportation Puzzle by Forcing the Cooperation Which Its Laws Had Denied the Carriers

By *SAMUEL O. DUNN*
Editor of The Railway Age Gazette



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The control of the country's railroads with their 253,789 miles of track, now centers in the office of William G. McAdoo in the Treasury Building at Washington. In addition to his great tasks as Secretary of the Treasury, Mr. McAdoo has assumed enormous responsibilities as Director General of Railroads. During the war, the roads will be operated as a single system.

THE system of government regulation of railroads which has prevailed in the United States for many years has been set aside; and both railroad regulation and railroad management have been subordinated, for the period of the war, to a system of direct government control of management deemed necessary in order to enable the railroads to be operated with the maximum possible efficiency.

One of the main objects of our past government regulation has been to compel the railways to compete. One of the main purposes of the new government control is to stop all competition and cause the railways to be operated absolutely as a single system.

Many of the detailed regulations adopted under the old system—train crew laws, eight-hour basic day laws, regulations limiting demurrage rates and minimum carload weights—directly tended, like the laws enforcing competition, to limit the traffic which could be handled with a given amount of facilities. Direct government control purposes to make possible the handling of the maximum traffic with existing facilities.

One of the principal objects of government regulation has been to prevent the net return of the railways from becoming too large. One of the main purposes of the adoption of government control is to prevent their net return from becoming too small.

In brief, the purposes for which the new system of control has been adopted are almost the opposites of those to which the old system of regulation has been directed.

Some say government control was made necessary by a break-down of railroad management. It looks much more as if it was made necessary by a break-down of regulation. Since Director General of Railroads McAdoo took charge, he has devoted himself to carrying out, not policies of regulation inaugurated before, but policies of management inaugurated before, or which the Railroads' War Board desired to inaugurate, but could not because of law-made obstacles. The Interstate Commerce Commission, wisest and ablest of regulating bodies, saw the way things were going, cooperated with the railway managements in every way it could, and tried to get the most harmful laws suspended; but its efforts failed.

Repressive Regulation and Returns

IF railroad management broke down, it was because the managers tried to operate the roads with the utmost efficiency while staying within the statutes—in other words, because they were not lawless enough!

Eleven years ago James J. Hill wrote a famous letter to Governor Johnson of Minnesota giving warning that perseverance in the policy of repressive regulation then being adopted would render the railways unable to earn net returns sufficient to the adequate expansion of their facilities. This prediction often has been repeated since by leading economists, railway managers and business men. They did not foresee that this crisis in our transportation affairs would come in the midst of a great war. They did foresee, however, that unless the policy of regulation being followed was changed a transportation crisis would come as soon as from any cause or causes there recurred a great revival of industrial and commercial activity.

Many people speak of the present traffic of the railways as "abnormal." The increase of traffic during the last two years and a half has been abnormal; but the rate of increase during the last ten years has not been. The increase in freight in 1917 over 1907 was about 100 per cent. The increase in 1907 over 1897, without any great war intervening, was 150 per cent. Experience has shown that in peace or war we should prepare for an augmentation in the demand for transportation of 100 per cent in every decade. Our regulating bodies have ignored this experience and disregarded the recession of railway development which has been occurring; and we are now paying the price. Other causes contributed toward the railway revolution which occurred at the end of 1917; but restrictive regulation was its main cause.

Well-informed government officials and railway managers foresaw, when this country entered the war, that there soon would be an enormous increase in the demand for transportation and that the railways, unless operated with the maximum possible efficiency, would prove unequal to it. They also saw that to secure maximum efficiency it would be necessary to coordinate all transportation facilities and organizations. It was to accomplish this that on the suggestion of the

Council of National Defense, the heads of the railways met immediately after war was declared and agreed to substitute cooperation for competition, and created the Railroads' War Board to direct the operation of all lines. Those in position to judge agree that under the direction of the War Board the railways accomplished as much as could be expected.

FOR a year and a half previously freight traffic had been much the heaviest ever known; and on May 1, 1917, the shortage of cars broke all records. The increase in commercial freight continued even more rapidly after the War Board took charge, and there was added an unprecedented expansion of commercial passenger business and a vast military business. Nevertheless, the War Board so increased efficiency that for several months the car shortage declined. In the nine months it was in charge the railways, with practically no additional facilities, handled 15 per cent more traffic than in any corresponding previous period, and about 50 per cent more than in the corresponding period of 1915.

They moved vast quantities of freight for building and supplying the cantonments and for building ships. They moved vast quantities of freight exported to our European Allies, and to our own troops and for the construction of our military railroad in France. In the five months from August 1 to the end of the year they transported 2,000,000 troops, mostly in special trains. The governments of warring Europe at the beginning of hostilities suspended commercial traffic until the first mobilization was finished, and have ever since imposed severe restrictions upon non-military transportation. Our railways on the contrary tried to handle all the business offered, commercial and military.

Signs of impending trouble began to appear, however, late in October and early in November. The most serious of these related to the movement of coal. Loud complaints began to be made that car shortage was limiting the output of the mines; and the shortage of cars of all kinds reported on November 1 was the largest since May 1.

Frankly recognizing the trend of developments, the Railroads' War Board submitted to representatives of the ogvernment a list of "non-essential" commodities—commodities which it was believed could be without public harm excluded from transportation. But its recommendation on this subject was not adopted. Last summer, when priority legislation was pending, an effort had been made to get Congress to suspend the Sherman anti-trust law and the anti-pooling law to enable the railways legally to adopt all measures necessary to secure the greatest efficiency. The agitation of this subject was now renewed; and on December 5 the Interstate Commerce Commission sent to Congress a special report urging that one or the other of two plans it outlined be immediately adopted. These contemplated first, suspension of the Sherman anti-trust law and the anti-pooling law, to enable the railways to solve the operating problem themselves, and in addition financial assistance to the companies from the government treasury; or, second, the assumption of direct control of operation by the government, together with suitable government guarantees of net return to the carriers during the period of government operation.

Most members of the Interstate Commerce Commission favored the former alternative. It soon became known that President Wilson favored the latter; and on December 28 Wm. G. McAdoo, Secretary of the Treasury, was put in control of all the railways with the title of Director General.

The conditions which precipitated this action existed chiefly on the eastern lines, and especially on those in the zone where there prevailed the most intense industrial activity resulting from the government's preparations for war. Elsewhere, especially in the west, there were complaints of car shortage, but no acute congestion. The Railroads' War Board had seen that more drastic measures must be adopted on the eastern lines; but government control was adopted before these measures had time to bear fruit.

The main causes of the transportation conditions in general and of the acute congestion on the eastern lines in particular, precipitated the adoption of government control, were:

First, inadequacy of railway facilities.

Second, inability of the railway managements, because of law-enforced competition, to secure the greatest possible efficiency in the use of available facilities in general; regulative restrictions preventing the use of all effective means for increasing efficiency in the use of cars in particular; and abuse by representatives of the government departments of the use of freight preference orders.

THE THRIFT STAMP ARMY

By ELIAS LIEBERMAN

OUT of the poor man's strain and stress,
Out of the rich man's fruitfulness,
Millions and millions of little me
Assert the might of democracy.
We come in squads, platoons and files;
Our ranks stretch out for many miles;
Proclaimed by neither fife nor drum
But sure as Loyalty we come!
We come! We come!

Our silent army plods ahead,
Our bugles never blow retreat;
Our ranks defy the whizzing lead,
We fear not frost, we fear not heat,
But grim as Death and like him dumb
We march ahead. We come! We come!

The rich man's feast, the poor man's crumb
Alike give life to us. We come!
We come! We come!



Railway Development Far Behind

MANY take the optimistic view that if under either private or government operation the most efficient possible use of existing facilities could be secured by operating all railways single system, the existing facilities would prove adequate to all demands. The writer does not share this view. The development of railway facilities long has been declining while the productive capacity of the country has been increasing unabated.

The reduction which has occurred in the rate of railroad development is strikingly illustrated by statistics for the three years ending with 1907 and the three years ending with 1917. The former period, and two of the years of the latter period, were times of record-breaking railroad business. In the latter as a period, however, the mileage of new railroad built was 80 per cent less than in the former; the number of freight cars ordered 56½ per cent less; and the number of locomotives ordered 54 per cent less. The relatively small railroad development during the last three years was partly due to disturbed conditions caused by the war; but any comparison of railroad development between the years 1897 and 1907 and between the years 1907 and 1917 will show somewhat similar results.

Railroad development in this country was almost at a standstill before the war in Europe began. The average percentage of net return earned had declined, under the old system of regulation, to the lowest point since the depression following the panic of 1893; and this was the main cause of the arrest of railroad development. The shortage of railroad equipment which existed when this country entered the war was aggravated by the orders issued by the government that the building of locomotives and cars for domestic use should be postponed so that more might be built for use in Russia and France. Doubtless these orders were wise; but their effect on the transportation situation should not be overlooked.

The increase in the productive capacity of the country during recent years has been so enormous compared with the increase in railroad facilities that, while operation of the railways as a single system under competent direction doubtless should make it possible to move more traffic than ever before, there is strong reason for believing that the demand for transportation during the war was bound under any management, to exceed the maximum service which the railways, and especially the eastern railways, could render. This should be borne in mind in judging both of what the railways accomplished under private control and what they will accomplish under government control.

That restrictive laws regarding competition and other matters and the failure of the government properly to control the use of freight preference orders were the main things which made it impossible for the Railroads' War Board to secure the best possible results, is beyond question.

The course of the government regarding railroad competition would afford material for the satire of a Juvenal. Before the original Act to Regulate Commerce was passed in 1887 the railways organized pools of traffic and earnings which incidentally had the effect of largely pooling facilities, but which were intended to reduce the intense competition which resulted in rate-cutting, gross discriminations and (*Continued on page 44*)

FROM THE KAISER TO THE IMPERIAL CHANCELLOR

Köenigliche Schlöss

BERLIN



MY DEAR HERTLING:

Entrust to your best agent the organization of England and America.

Things are going well in those quarters but not well enough. Nothing is more important. We can afford to let them take Berlin, impose any kind of terms and sequester for a time my whole Potsdam family at St. Helena—in fact it is very likely that this is just what they will do—if only in doing it they let us transform them into what we wish them to become.

To you I shall not conceal my rage over their conduct in this war. What Bismarck gave me was a socialism with a powerful autocracy at the top, alert for development of industry and trade. We at the top were to know exactly what we wanted and every individual in the empire was to do just what he was told. The theory was that with a machine like this we could overhaul the democracies in commerce and batter them into submission by arms. We were overhauling them in commerce when we got ready for the battering process, and by now ('three years') we should have been in New York, having taken London in 'three months' and Paris in 'three weeks.'

I call your attention to the fact that we are not in New York or London or in Paris and it is my very secret hunch (sehr geheimnissvolle Vorahnung) that we are not going to be—this time. These democracies have not worked as I had expected and planned.

Look at England. Here was a people who for centuries had been taking one power after another away from their autocracy until shortly before we attacked their Allies they had gone the whole length by eviscerating the House of Lords. Nobody in England would do as he was told and if he would there was nobody to tell him what to do. Even now I have to chuckle when I think about the mess they had made of themselves.

And America! Masters they had none in three centuries from Plymouth Rock: discipline unknown, national feeling non-existent, every man for himself and public policy a weather-vane.

PLENTY of Englishmen and plenty of Americans knew what I was up to and had known it for years. What difference did that make in countries where everybody's business is nobody's business?

Well, I no sooner tore up that scrap of paper than Englishmen from everywhere and nowhere swarmed forward—the very Englishmen who had been doing as they pleased and relying on themselves without any control from above—and built over night a machine that stopped ours on which we had been at work for 40 years. The more wrapped up these fanatics had been in the unrestrained and unguided pursuits of industry, commerce and transportation, the more madly they fell over one another to report in for the business of saving France and themselves. America came in and in a few months every business and railroad man in that country had turned over his plant, his organization and himself to the project as if it were an affair of his own. It is not politicians that are conducting this war for the United States but business men.

Hertling, it must never occur again. Democracies will not do. Not only do they fight, as I had hoped and believed they would not, but they develop mechanical and tactical warfare from where we left off and check-mate all that we do. How are we to crush and absorb such peoples? What would we do with them if crushed, since they utterly lack the individual sense of dependence or obedience? It would be well to regard this as an occasion for explaining matters in due course to the German people. When the time comes I desire you to say in the Reichstag that we are luring England and America on to the occupation of Berlin in accordance with our pre-arranged plan, which is to postpone the conquest of whatever peoples have in this war been revealed to be not yet ready for our Kultur.

What we have learned is this—that for a socialism surmounted by an autocracy the vulnerable enemy is not a democracy at all as we have supposed but a socialism wallowing in leaderless impotence. I care not whether you consider trade or war, it is the same. We shall never extend our rule over the British and American dominions either commercially or politically so long as those peoples permit their individuals to rely on themselves and compete among themselves in mining, manufactures, commerce and transportation. It is not only the companies that compete when there is no autocracy, but those who serve the companies.

Every manager is fighting for his business existence with rival managers but every man from top to bottom within each company is fighting to hold his place or to gain promotion and any man outside can without permission fight to break in. Every individual in the whole fabric holds himself personally responsible for making discoveries, inventions, improvements in organization.

HAS it occurred to you that God (unser Gott) might come to like that sort of thing if we permitted it to continue? In any event the gods of trade and of war smile on it always. The whole process produces the type of individuals who turn too easily from one thing to another. Such are the men whom we have seen come forward in England and America since 1914 to organize the preservation of France and of themselves.

I won't stand any more of this nonsense. I charge you to organize for the vigorous and continuous encouragement of every activity in these two countries which has for its tendency to promote enlarged governmental participation in the processes of business.

I said at the outset that things are going very well. By this I meant that under our attack England and America have been obliged to do through government many things which in time of peace were left to individuals. The British and United States governments have taken over the railways. Both British and American governments have taken away the right of private negotiation in matters of price, quality and delivery and through their priorities are virtually determining for individuals in what business they can and in what they cannot engage.

See to it that all this is not merely temporary. Through German emigration and through our propaganda we have for many years been inoculating these countries with a serum. It is concocted by removing the autocracy from German socialism. Ready to your hand are thousands of British and Americans whom our emissaries have thoroughly infected with the government ownership and government operation idea. Use your influence if possible so that the political parties, which are all radical now, shall be committed to the permanent retention of governmental control after the war.

Their chambers of commerce and trade associations will realize your aim and organize to restore non-governmental institutions, but as usual they will begin after the process is too far advanced to be headed off. When they at last awake and undertake action they will let you keep them on the defensive instead of seizing the offensive, not hoping for gains of their own but merely to minimize yours.

My object is obvious. By eliminating competition among Englishmen and among Americans we shall breed up in the absence of an autocracy a sort of mushy socialism. Let everyone be dependent for his opportunity and his advancement upon political authorities. These would be selected not by someone at the top who knows exactly what he wants and remains the same decade after decade, but by the voters. Their majority flaps in the wind. Remove the incentive for strong men to go into industry, commerce and transportation. Preclude the possibility that in the trade conflict to come and in the next war either England or America will have any such men as have stopped us this time or any non-governmental institutions for the development of such men.

ST. HELENA has its discomforts. A German government responsible to a free parliament would have the effect of suspending for a time the working out of my plans. But all this is temporary. We endure it for the sake of The Day (Der Tag). Enfeeble those who obstruct us. The type we seek to cultivate is Russia: chaos—a triumph of our diplomacy.

This is the ideal toward which you must labor in England and America: government operation, socialism, chaos. In our hands such peoples will be as children. Our emissaries have but to propose it and they will come of their own accord to unlock St. Helena. They will look on with imbecile grin while our junker, munition and military faithful restore the Fatherland. Germany as it will be spawned at the peace Congress will be a spineless parliamentary mollusc. If you are zealous England and America will regard us through such spectacles that without alarm they will see that spineless mollusc evolve once more into a vertebrate autocracy capable of devouring all such jelly fish as I am instructing you to make of England and America through the encouragement of government ownership and operation of utilities and business.

Wilhelm I. R.

As conceived by Frank W. Noxon, secretary of the Railway Business Association and author of "Are We Capable of Self Government?"

The Key to the Russian Riddle

Hunger Overthrew the Czar, Crushed Kerensky, and Now Its Lean Legions Advance against the Mobs of the Bolsheviki

By J. RALPH PICKELL

DRAWING BY R. L. LAMBDIN

IT is next to certain that when Mr. Hoover said months ago that food would win the war he was thinking—not concretely perhaps, but in the abstract—of Russia. He knew then what the American People as yet only half know—that an army travels on its stomach, not in theory and in text books about war, but in fact. Also that a starving people cannot and will not fight.

Russia's ailment is an empty belly. It takes no complicated theories in political science to explain the immediate cause of the Russian revolution and all that has grown out of it.

When Mr. Hoover uttered his dictum about food no one disputed the abstract truth of it; but in practice the American people took it with a grain of salt. Our generation had never known want, and we couldn't quite figure out how such big results could come from the lack of so everyday, plentiful a thing as food. We now have a demonstration right before our eyes. Russia out of the war for the present—not primarily because of the peculiar political theories of the Bolsheviki, not because of the social vagaries of Messieurs Lenine and Trotsky, but from lack of food.

Our allies depend on us for food. We came into the war just in time to put our hand to the plow and raise some big crops which, had we remained neutral, we would not have raised in anything approaching the same quantity. And even after this unwonted effort we are going to have to pinch and save to make what we have go around; and are hoping for extra big crops in 1918 to end the shortage.

Hunger, the Revolutionist

THE thing to consider now is that the end is not yet; and that Russia constitutes an object lesson for us—an absolute demonstration that we must produce food and get it across the ocean. England and France, France particularly, are approaching the limit of human endurance. Consider Russia, and find out what starvation has done in Russia, and just why the Germans are now able to withdraw divisions from the eastern front to make trouble in the west.

A score of complicated political theories have been advanced to explain the Russian revolution, the rise of the Bolsheviki to power, and all the rest of it. They fail because they ignore the most obvious factor in the whole business. Hunger.

Hunger was the central cause of the revolution; and Hunger is now the most menacing and dreadful thing in the whole Russian situation—for Russia faces, not merely the political chaos of Bolsheviki rule, but the possibility of absolute famine in the winter of 1918. The present shortage is merely a case of want due to poor distribution of the available food supply; but next winter there is a strong chance that there won't be any food to distribute.

As Mr. Hoover's representative in Russia I recently had the widest and most direct opportunities to study conditions there; and from my investigations I learned certain things and came to certain conclusions which differ rather radically from most of what has been printed in the American press about Russia.

IN all the bewildering chaos that had once been Russia there was no single personality or fact that the mind could fasten on in the effort to understand the present or forecast the future. Such was the uncertainty that confronted the United States Food Administrator when he began laying out the organization that was to comprehend the earth. He had to know the truth about Russia before he could fit her into her proper place in his plans. The most direct way to do this was to send an expert to find out what he wanted to know. The man chosen was J. Ralph Pickell. He was secretary of the Council of Grain Exchanges in Chicago and a recognized authority on food in the bulk. Mr. Pickell spent four stirring months in Russia. During that time he studied its problems up and down and crossways, was offered the position of food administrator by Kerensky, and returned to the United States with a portfolio full of clean-cut facts and conclusions that were recently submitted in a confidential report to Mr. Hoover. There probably is no one in the country better fitted to comment on Russia's difficulties than the man who wrote this article.

I have said that hunger explains the revolution. As a matter of fact the revolution started with an unpremeditated bread line riot, and grew from that like a rolling snowball. The revolution was not, in my judgment, the result of any deep-seated dissatisfaction with the Czar. It was simply that several hundred workers from the factories and shops of Petrograd got hungry, went on a strike, and got into the bread-line. They weren't thinking of revolution, but merely of food.

While these workmen were on their strike, it also happened that three or four hundred Russian soldiers, who had failed to get their proper rations and cigarettes, started out to make some trouble on their own account. They walked into the bake-shops and confectionary stores and helped themselves, and were out for a good time generally. They did no great harm, used no force, and were bent, rather peaceably on the whole, on getting filled up—which they did.

When the striking workmen saw the beautiful simplicity of it all, they began to emulate the soldiers. And when that happened, a crowd gathered—so that in a twinkling there were about 20,000 people in the streets, singing, good-natured, helping themselves to food wherever they found it, and ripe for mischief. Presently somebody produced a red flag; and the red flag idea took. The crowd finally grew to about 30,000 and the occasion developed into what might be called a liberty spree. Nothing much happened, however, and most of them went home by midnight.

With the soldiers, however, it was a different matter. They couldn't go home at midnight because they had defied authority and stood a mighty good chance of getting shot for it. So they set about defending themselves. They built a barricade across Littania Street, which faces the Czar's winter palace, and is backed by the munitions factories and the workmen's quarters.

When, the next morning, the Cossacks were ordered to disperse them the Cossacks suddenly turned the tables by going over to the rebels; the reason being that they too were hungry. Consider what the Czar would have gained had he fed them.

That left the Czar with no force at his disposal but the police. In the fight that followed most of the police were killed; and also 182 civilians and soldiers. Very little would have tipped the balance the other way. If 500 Cossacks had stood by the Czar the Czar would have won.

Hunger turned the trick.

An understanding of what now happened is important. Contrary to the general impression, the Russians have always been free moral agents. Under the Czar they were not restrained in any respect except one—which was that they could not talk about the government or about the Czar. But when the new government came in that prohibition disappeared. And because nobody within the memory of man had ever been able to talk in the open about the government, why—that was the first thing to do. The Russians were like a lot of youngsters let out from school.

And so they talked—Lord how they talked! Never in the history of the world I think has there been a race of talkers like the Russians. I attended a conference once, called by General Korniloff, and made up of the most influential men in Russia. They met because Russia was in deadly peril, and they were there to discuss ways and means of feeding Russia. But they took up nine-tenths of the time paying each other compliments—just naturally talking! As for the business of the occasion that was merely a side issue. Of course they didn't get anywhere with it.

Russia has been talking ever since. She has been so busy talking, in fact, that she has entirely overlooked the economic cause of the Czar's overthrow. Mr. Kerensky overlooked it along with the others; and he fell because he tried to establish a government with the people starving. And the Bolsheviki, who are trying to do that same thing, will fall for the same reason.

Kerensky Overlooks an Opportunity

THEY are more interested in discussing political abstractions with the Kaiser than they are in such prosaic matters as mutton and wheat. They have entirely misunderstood the reason why they got the upper hand of Kerensky. They think it was a political reason. Superficially it was; but funda-

mentally it wasn't. Hence the Bolsheviki have walked into the same old trap. They have done nothing to feed the people.

The failure of the Kerensky government to meet the needs of the situation was simply a piece of stupid politics. Here is what it amounted to:

There are two main sources from which Petrograd and the rest of northern Russia can get grain. One is the Kazan region, which takes in most of southern Russia, and produces some of the finest rye and wheat in the world. This region is about eight or nine hundred miles distant from Petrograd and is tapped by the *privately owned* Moscow Kazan Ekaterinburg Railway. It is also tapped by the inland waterway system of Russia, which is one of the most highly developed in the world, and which can convey grain north in immense quantities by barge. The one other big source of grain supply is Siberia, 4000 miles away; and this Siberian grain region is tapped by the *government owned* Trans-Siberian Railway.

Now you would think with all Russia calling for bread, that the Kerensky government would at once have brought in grain from that nearby Kazan region both by rail and by barge, as fast as possible, and at rates that would have insured the fastest kind of hauling. Not at all. What the Kerensky government did was to throw all grain hauling to the government-owned Trans-Siberian Railway. Give business to capitalists as personified in the privately-owned Moscow Kazan Ekaterinburg Railway? Never! And of course the mere matter of the difference between hauling grain four thousand miles and hauling it nine hundred didn't count. Well, it counted later!

To complete the job, the government placed such a low freight rate on grain carried by barge that the barges had to stop carrying grain from the south, and took to carrying naptha and other things not controlled by the government. The result was this: Russia produced in the Kazan territory 120 million puds. A pud is 35 pounds, and it rhymes with "food." Of this the Russian government got only 18 million puds. Over 100 million puds at its very doors; and it might as well have been in Australia! And that's why Mr. Kerensky presently found himself out in the cold.

I am aware that this account runs counter to the opinion of Ambassador Francis that shortage of transportation was the root of the trouble. I think the Ambassador is mistaken. I think there was unquestionably enough transportation, and that it was stupidly left unused while politics went to bat.

But that isn't all of it. Russia is in for something much worse than the temporary shortage brought about by politics. Russia, as I have already intimated, faces the prospect of starvation in the winter of 1918. Only one thing can stop it, and that is that the Russian peasant be pursuaded to stop discussing matters of state long enough to plant wheat—lots of wheat—next spring.

Thanks to the preoccupation of the Russian peasant with the new and fascinating game of politics, and to the wide-spread demoralization that has resulted from the sudden removal of all restraint, and to other causes which I shall name presently, Russia has right now less wheat than is needed to carry her through till the next harvest.

The 1916 crop was 25 per cent below the normal in acreage, and 20 per cent below the normal yield. That left Russia with no surplus. The 1917 crop was 40 per per cent below the normal acreage, and 10 per cent below the normal yield. That left Russia with a shortage. Consequently, if the 1918 crop does not represent a turn to the right about, it means just one thing—famine. And famine would put Russia out of the war so definitely that there wouldn't be any Eastern Front for Germany to take care of, for a long time to come.

Of course it follows that so far as food is concerned, Germany has little or nothing to gain from a separate peace with Russia at this time. At the most Russia could give only a surplus of one million tons of food—a mere drop in the bucket. Russia has enough food for the present if it be properly distributed—but none to spare.

Wheat Versus Speaking One's Mind

IT IS impossible to say whether the Russian peasant will plant wheat next spring or not. The Russian peasant knows no food economics. His guage is *a full stomach—now.* He raises enough for his own needs, and nothing else matters. He can't see why he should bother to grow wheat when the unaccustomed sport of speaking his mind and talking his fill without getting arrested is so much more fun. In the old days the peasant planted wheat industriously because he could buy vodka with it. The elimination of vodka, therefore, removed his primary incentive to grow wheat. For the Russian peasant is the greatest talker, the greatest eater and the greatest drinker in the world.

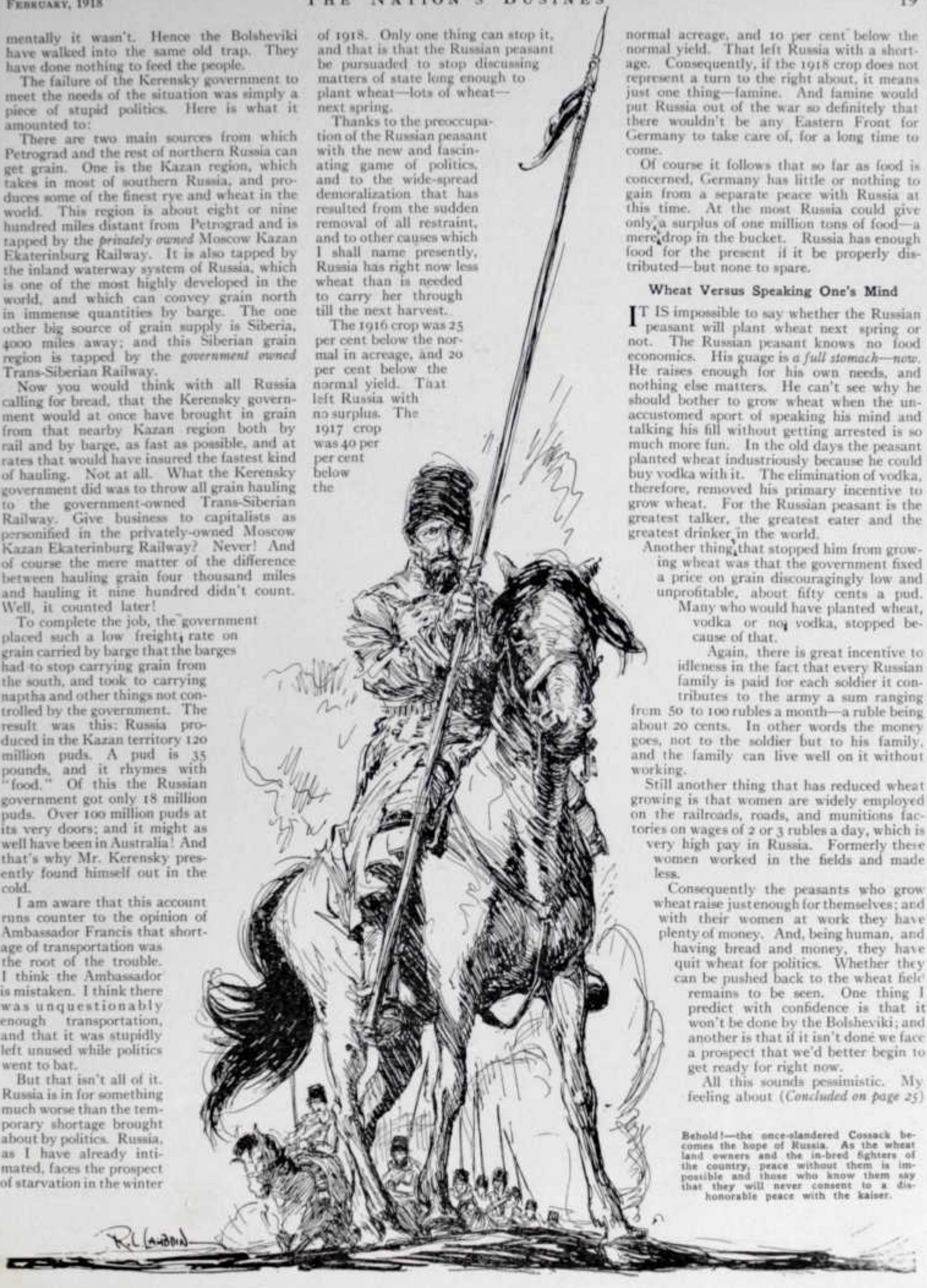
Another thing that stopped him from growing wheat was that the government fixed a price on grain discouragingly low and unprofitable, about fifty cents a pud. Many who would have planted wheat, vodka or no vodka, stopped because of that.

Again, there is great incentive to idleness in the fact that every Russian family is paid for each soldier it contributes to the army a sum ranging from 50 to 100 rubles a month—a ruble being about 20 cents. In other words the money goes, not to the soldier but to his family, and the family can live well on it without working.

Still another thing that has reduced wheat growing is that women are widely employed on the railroads, roads, and munitions factories on wages of 2 or 3 rubles a day, which is very high pay in Russia. Formerly these women worked in the fields and made less.

Consequently the peasants who grow wheat raise just enough for themselves; and with their women at work they have plenty of money. And, being human, and having bread and money, they have quit wheat for politics. Whether they can be pushed back to the wheat field remains to be seen. One thing I predict with confidence is that it won't be done by the Bolsheviki; and another is that if it isn't done we face a prospect that we'd better begin to get ready for right now.

All this sounds pessimistic. My feeling about (*Concluded on page 25*)



Behold!—the once-slandered Cossack becomes the hope of Russia. As the wheat land owners and the in-bred fighters of the country, peace without them is impossible and those who know them say that they will never consent to a dishonorable peace with the kaiser.

Boiling Down American Business

A Condensation of Industrial Processes Will Make Up the Fifty Million Ton Coal Shortage and Help Our Business Men to Closer Cooperation

By DR. HARRY A. GARFIELD

THE United States Fuel Administration approaches the question of the so-called non-essentials from its own particular point of view. Yet I hope the Fuel Administration does not in this case, and will not in any other, allow itself to view from simply its own point of view any question so broad as that involved in this question of what is a less essential piece of business than some others; in other words, to choose between the various enterprises in our country, each one of which is contributing, in its own way, to the welfare of our people, and the keeping up of this war at high tension.

When the question first was presented to me it was presented in this wise—there are two ways of saving our energy and of gathering extra energy and uniting it in a common cause for the duration of the war.

One is to select certain industries at what we may call the upper end of the scale, and place our emphasis upon those.

The other way is to cut off from the other end of the list of industries those things which are less essential.

One may take either end of that programme to reason about it, or he may take both ends. At any rate, as I approached it, I first saw it from what I may call the upper end, the preferred list of enterprises. All not in the preferred list were enterprises less likely to contribute immediately to the war, and therefore it was possible to postpone them—if any had to be postponed—in furnishing fuel.

But that did not appear to answer the question wholly. It was stated that if the war continued very long we not only must have a list of preferred industries, industries which, without any question, must receive their full supply of coal, but also that we must cut off some that were less essential to the prosecution of the war. A list of between five and six hundred articles was furnished, a list made up by different people, interested in different ways, and as we began analyzing the list, one did not need to spend more than an evening on it to be very sure that any one of them, if cut off from fuel supply, would result in a much more widespread injury to people than we could well measure.

Contributing to the National Coal Pile

THERE was one industry in particular that occurred apparently to every one that was dealing with the list. We found on examination that it involved something like a billion dollars of credit in the United States, and to withhold fuel supply from that particular industry, on the ground that it was non-essential, would bring untold misery to a large number of people. At once I said that I would not be responsible for introducing such widespread disaster, moreover, the saving in fuel would be, although large, nothing commensurate with the injury that would have been produced.

In the organization of the Fuel Administration I invited sometime ago a gentleman to be responsible for the conservation. Mr. Noyes is in charge. His admirable ability and wide experience enabled him to work out a plan of conservation which will stand the test of careful examination.

In outline, it is this, that we call together the people interested in a given industry. Suppose we are a group of men engaged in a certain enterprise.



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The kaiser has presumed to name God as his personal ally. If there are any Americans of little faith they might take the severity of this winter as proof of the claim. The attitude of this New York woman toward the crisis is typical of the entire country. Forced to go to the docks and bring home coal in an outgrown baby buggy, she smiles about it. The iron grip of Hudson river ice which prevented coal barges from reaching the city added to the suffering.

We are competitors in ordinary times and we have met here to see if in any way we can save for the benefit of our national coal pile. It is human nature that each one of us should say something like this.

"Because of the draft, because of the demands of the war, my labor supply has been reduced, say 25 per cent. It is inconvenient for me to keep up the competition in the same way I did before the war began, but I dare not lessen my effort in any direction lest my competitors will run ahead of me."

But if we hear from the National Fuel Administrator that we are using more coal than can well be afforded to our industry as a whole, and if each agrees—at the request of the Fuel Administrator to save 25 per cent of the fuel used, provided all will do the same, we shall have adopted the principle of voluntary arrangement in cooperation with the Government.

I appreciate, of course, that this arrangement would run counter to the principle of the law, if we, as people engaged in a common industry, should set about this plan without the sanction of the government. But I am prepared to say to you that if all were of one industry and were to agree with me that you would cut down your fuel expenditure, and it represented a large and useful amount, and I could see that it could be done with justice to all concerned—I would willingly enter into an arrangement with you by which that saving could be made, a saving which would be helpful to the nation.

There is one word of caution that we need to observe in carrying out this plan, namely, that we do not allow ourselves to be so selfishly influenced that we undertake to save for ourselves merely, without thought of saving for the benefit of the country as a whole. Just a few figures to show you how much this saving is necessary. I presume most of our industrial enterprises are dependent upon bituminous coal. Last year was a banner year both in the bituminous and in the anthracite fields. Last year—I mean the year 1916, of course—five hundred and two millions of tons of bituminous coal, in round numbers, was produced, the largest amount the country had ever mined. In normal times, about ten per cent represents the increase. This means that this year, if we were producing the full measure of coal supply, we would have something like 554 millions of tons.

Now we are going to produce approximately that amount. Up to the first of December we had produced all but about 49 million tons. The daily production of coal since that time indicates that we are going to produce the whole amount. The difficulty is this, that industrial enterprises have made demands for a larger supply of coal than the normal increase of 10 per cent. For example, along the New England coast, among the manufacturers producing munitions of war, from 33⅓ to 50 per cent more coal is required than in 1916. If the supply had been fully met, we should have produced in this year, 1917, 100 million tons instead of 50 additional millions of tons more than we produced last year. So that, in other words, we are about 50 million tons short.

We cannot produce this additional amount in the remaining days of this year. We will produce, as I say, in the month of December, about 50 millions of tons. We cannot double that amount, because the winter season is

upon us; as you know, the car supply is short and we are laboring under great inconveniences in transportation. I am not making that statement with a view of pointing the finger at the railroads, but to indicate the enormous development in our industrial life. More tons of produce, more tons of manufactured goods, more tons of everything have been transported this year than ever before. We cannot expect to make up the lacking 50 millions of tons in the remaining days of this year, nor can we, unless we resort to some method of saving, hope to make it up by spreading out that amount over the winter months. The only way we can help ourselves is by conservation, willing cooperation and conservation.

Assurance For "Non-Essentials"

IN our conservation department we are putting out bulletins, resorting to means that would suggest itself to you in extending your business, to bring home to the American people the necessity of gaining a ton here and a shovelful there, in order that we may contribute each his own part to the saving of 50 millions of tons to the nation. And that, remember, is in the bituminous field alone.

I am glad to have an opportunity of reassuring business men concerning the campaign against non-essentials. If the war continues longer than we expect, it may become necessary to cut off with a firm hand. But for the present, at any rate, by transforming our work, by cooperating in the several industries, by cutting down in the way indicated, because of the fact that great hosts of labor have been drafted, we shall be able to accomplish a result beneficial to the industries, rather than to their harm.

Where competition has been fierce, where progress has been over-rapid, there is danger of destroying the unity of our social fabric. If by cooperation we go forward as a compact body of citizens, conscious of our dependence upon one another and of a common purpose, which has for its immediate aim the winning of the war, but conscious also of the great ideal that the President of the United States has set before us, whereby we will bring to all peoples a sense of freedom and of fair dealing among men and nations, we shall come out of this great struggle better and stronger, not only as men, but as a nation.

Italy Looking To "After-the-War" Trade

TRADE between the United States and Italy "after the war" is engaging the attention of the Italian Chamber of Commerce in New York. The Chamber expects a tremendous development of that trade, when peace comes, and believes that Italian and American merchants should lay the foundation for it now.

Italian firms which are seeking new or wider markets in the United States are responding to the appeal of the Chamber, issued several weeks ago to manufacturers, exporters and importers in Italy, to begin preparations for the new trade era. Not only those who wish to sell in the United States, but also those who wish to buy, are showing interest in the Chamber's efforts, a circumstance which illustrates the service which such an institution as the Italian Chamber of Commerce may render to American exporters and manufacturers.

Among the firms which have shown an interest in the movement are many which, owing to lack of demand for their products in America or because they cannot compete with domestic articles, do not expect to find a market for their goods here. They are making their goods known to the Chamber, nevertheless, with the idea of bringing them to the attention of American exporters and manufacturers and thus developing markets here in which to procure raw material or semi-finished articles for use in the making of commodities for consumption in Italy or for export to contiguous countries. Besides such materials, they are on the lookout for machinery for their plants. It is the aim of the Chamber to bring American and Italian manufacturers together to their mutual advantage, and to that end it has established a special department to handle the work here outlined.

War's victories are by no means confined to battlefields. Great Britain has announced the capture from the Germans of 167 secret recipes for making dyes. This is a defeat the effect of which will be felt in Germany long after the war of guns has ceased.



When all this talk about non-essentials started, accusing eyes were turned on the florists. Apparently there could be no business of less importance in the winning of the war than the raising of roses and orchids. However, that wasn't the only side of the case. It was pointed out that if coal was withheld from the hothouses for a day millions in investments would be wiped out and thousands left suddenly without employment. One so-called non-essential industry was found to involve a billion in credits. The saving made by keeping coal from it would be nothing compared to the loss and injury that would result. It is estimated that the industries that had been mis-named non-essential represent from $35,000,000,000 to $50,000,000,000 of capital and employ 10,000,000 persons.

THE OLD ORDER CHANGETH

Men Like Samuel McRoberts Touch Shoulders with Politicians, Bricklayers, Merchants and Stenographers in the Stand against the Common Enemy, receiving from the Contact a Sense of Brotherhood that Peace Cannot Destroy

By JAMES B. MORROW

SOLDIERS together, respectable business and reputable politics, enemies anciently, are now comrades.

The same tent and canteen, shared by both, have wrought a wonderful change. Money-grubber and demagogue were discovered to be only ridiculous men of rags. So much then has the war already accomplished.

There were demagogues and there were money-grubbers, and neither tribe is yet extinct, but they are not now fighting side by side the battle of freedom and right. As of yore, they are waiting for profits and watching for votes.

Solid business and solid politics are at the front and will come home arm in arm when the Huns are crushed. Friends at arms will be friends in peace. There will be more kindness, more justice, more patience, more fellowship in America during the days to come.

Long ago, forty years in the past, perhaps, out on the prairies of the embryonic and now opulent West, an unshorn and gloomy pioneer, issuing from his house of sod, like an animal from its den, looked soddenly but angrily at a freight train, reduced to a toy by distance, creep across the boundary of his narrow geography and hard life.

Corn was ten cents a bushel. But cattle at the time were mostly fattened on grass. Neither were there huge factories where corn was converted into food, starch and alcohol. It was not used in those days in the manufacture of celluloid, gun cotton and smokeless powder, in dyes, varnishes and paints, in acid, soap and filaments for incandescent lights.

A slick lawyer, running for office, had told the farmer that the railroad over yonder was to blame. And into the soul of the farmer hate was sown. He elected the slick lawyer. Other slick lawyers, noting that the trick was workable, adopted it and won.

The Classes and the Masses

SUCH, possibly, was the beginning of the war on capital; and capital fought back and purchased on occasion, when it failed to persuade. The gloomy pioneer in the sod house chose Governors and Senators, poor, old Peffer, William Alfred, of Topeka, a grasshopper of a man, somber in his long black coat and the dyed beard that covered his breast, being a big chief among the latter.

"But where will you get the $50,000,000?" a skeptical colleague once asked him in the Senate, while he was dwelling on some of the good medicine that he was preparing for the public.

Pointing in the general direction of the Bureau of Engraving and Printing, the solemn Peffer answered, "Start the printing presses," he exclaimed in the voice of a Jeremiah.

"Oh, Mr. President," he explained, clearing the black ignorance that surrounded him with a flash of his own brand of light, "getting the money doesn't bother me."

Banking in that period was dishonorable and manufacturing disreputable. The octopus, now invisible, was then everywhere to be noted. Wolves from Wall Street howled at each man's doors, front and back. Division was the favorite exercise in arithmetic. The camel and the eye of the needle figured theatrically among the nouns of orators on the stump.

In these sober days, sober in respect to the relations of the classes and the masses, so-called, looking back to those days is like surveying from afar a national debauch. The trouble lay in the belief that virtue among men is distinctive—like blue eyes or large feet. This hallucination continued, though it was diminishing somewhat, until the bandits in German uniforms started their goose-stepping into France.

Americans themselves began thinking then of war and, in a danger that was general, complaints which were special became no more than murmurs and ceased altogether when the President's proclamation—a bugle call, ink on paper—summoned the nation to arms. Rich men rallied under the banner and joined poor men who, with scythes and sledges, trowels and axes, offered their labor and lives to the cause of freedom.

Red Tape Shot to the Ground

WAR made it clear that the decent, normal men live everywhere in America, in mansions and cottages, on farms and in cities, and are in the majority, always. Also that at heart capital and labor, in the essential moralities, are not separated. Yesterday, in this country, and it is an old, old story, the railroad president was a brakeman, and to-morrow the teamster of to-day will be teaching philosophy at a university.

"My captain," says the private in the National Army at almost any camp, North or South, "worked at a lathe in my father's factory. I serve under him and salute him because he is the better man."

There is to be a great aristocracy in America after the Prussian shall have been deprived of his plunder, the jewelry hidden in his pockets and the feather-bed on his back, and made to pay; an aristocracy of patriotism and courage. The blacksmith and the banker will continue to be comrades. The merchant and the carpenter, preservers of liberty, will stand together.

At last they know one another. The slick lawyer, pointing to the railroad, was also in business for himself, a fact that the gloomy farmer did not comprehend. And so in time the people, deprived of their dignity, mocked and cheated, became the pee-pul of the office-seeking brotherhood and something of a joke in the daily press.

Now again the people are supreme and, restored in wisdom, are hand in hand under the Stars and Stripes. Samuel Gompers and Samuel Rea, agitator and the agitated, are bunking in the same tent and eating canned tomatoes from one dish. Stripped of the gear, they wear in peace, it is hard to tell one from the other. And gear, the camouflage of classes, has aided the politicians to bedevil the voters. Hearts are hearts inside of all or any armor and the hour of revelation is the present.

It is fine these days to walk in the streets of Washington. The genius of the republic is seen at every corner and crosscutting through the parks. Work and money, the oppressed and the oppressor, as pictured by hamfatters, on the stump and in the magazines and newspapers, have given the nation's capital a vigor and a vitality it has never known before.

Leisurely habits have made way for push. Seven o'clock now is the fashionable hour for breakfast. Office lights burn into the night. Red-tape is being shot to the ground by the drum fire of business. Tax-payers who, it was believed, would hesitate, are saying: "Billions and then more billions until the Huns are beaten."

The Prussians have united America. A partner from the house of Morgan counsels with a coal miner. President Wilson talks with engineers and brakemen. Most wealthy men are too old to volunteer or to be conscripted but hundreds of them are in Washington, while their sons are being tranied for battles in the air, on the land and under the water.

This writer has interviewed and described a number of them for THE NATION'S BUSINESS. They are all sprung from the same stock—the common people. It is pleasing to give emphasis to that statement. Each has been a worker; many with calloused hands. Frank A. Vanderlip served his apprenticeship as a machinist. Hurley of the Shipping Board was a locomotive engineer. Davison was a bookkeeper. Willard was a track laborer. Rosenwald a clerk in a clothing store and Coffin a farmer.

Thinking in Seven Figures

ON a summer day, a tall, slim young man, a lawyer by profession, climbed the hill at the Courtland Street ferry and stopped a moment when he came to Broadway for his bearings. He wore a long, black coat and a large, black hat and carried a valise of an ancient variety. In his pocket were a few dollars.

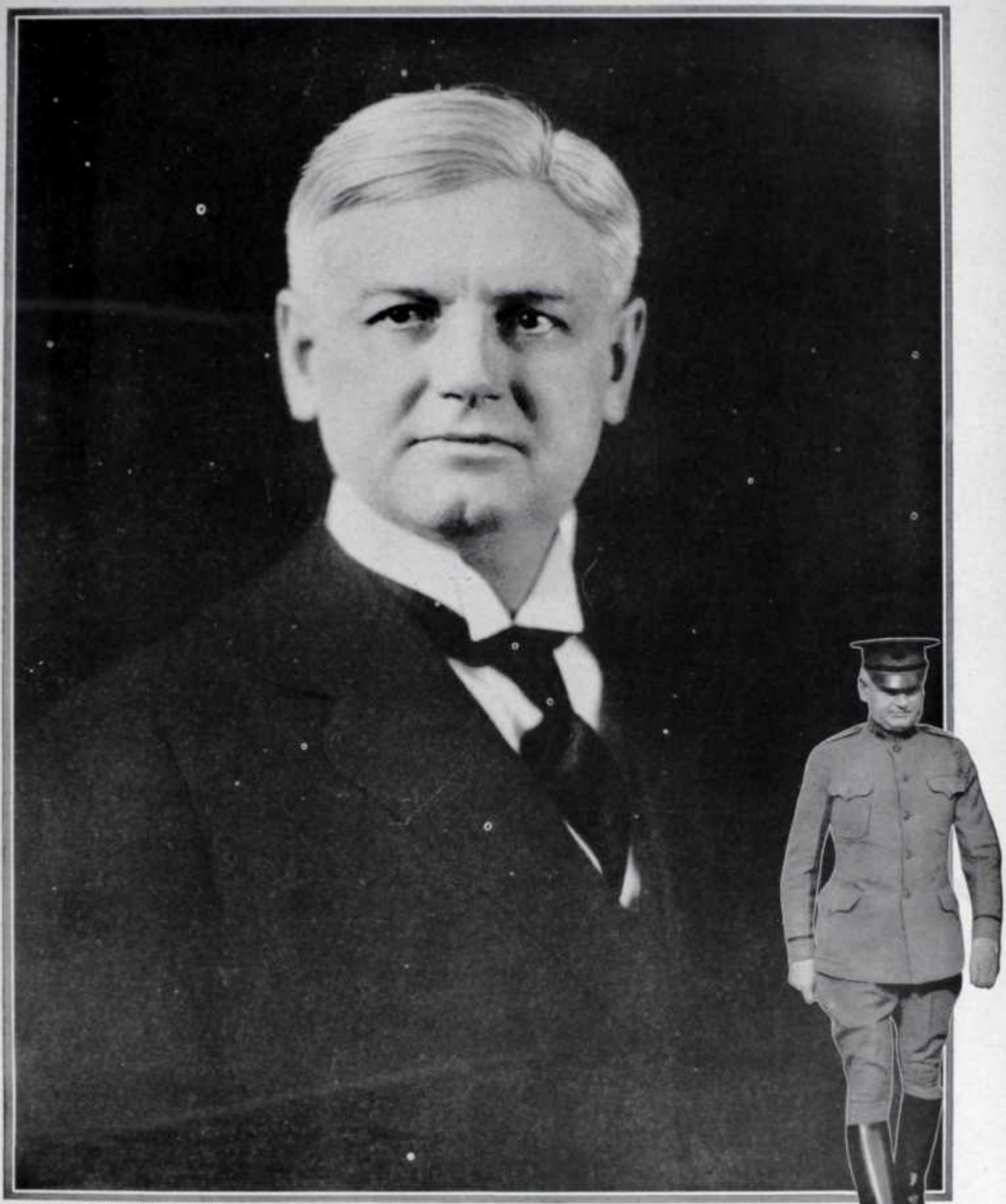
He was William G. McAdoo, fresh from the South and without friends north of the Potomac River. Long before, a poet who dreamed about shovels and picks, blasting powder and rocks tried to dig a tunnel under the Hudson. His failure was one of the humorous anecdotes of Wall Street—and its warnings. The men who backed him, humbled in pride, victorious managers ct millions, shut out of mind the memory of their folly. But the same men supplied the money that eventually built the tunnel. None of McAdoo's achievements, no matter what he does, will ever be more remarkable.

And now this man and Vanderlip, the once youthful machinist, country born and reared, deputies of the common people, are financing the contest against the Hohenzollerns and their brigands and ravishers. At this point another man, by his own rights, comes into the great and inspiring war story.

"I want some one," a high military officer said, "who can think in reven figures."

"Then send for Samuel McRoberts," a hearer at his elbow recommended.

There is an earlier picture that properly belongs in this gallery of poor description. Paris was no longer (*Continued on page 48.*)



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THE man who was "Mister" Samuel McRoberts, vice-president and executive manager of the National City Bank of New York, is now Colonel Samuel McRoberts, chief of the Procurement Division, Bureau of Ordnance, negotiating orders for artillery, small arms and ammunition. He was fighting before he got into uniform. In the first gray days of war when it looked as if the Germans were to make good their threat against Paris, the largest bank in America was asked to make a huge loan to France. "What France asks," said Mr. Vanderlip, president of the institution, "is impossible—but we are going to do it." Then he and McRoberts worked out the details of the loan.

Non-Essential Industry? There Is None

Those Who Wanted To Blot Out This Misnamed Class Failed To Note That It Supports 10,000,000 Workers, and Overlooked Other Factors That the Fuel Administration Is Carefully Considering

By P. B. NOYES

Director of Conservation, U. S. Fuel Administration

YOU all know that as the war has progressed the limitation of the so-called "non-essential industries" has been much under discussion, owing to the scarcity of war essentials of three or four kinds. Fuel may perhaps be considered the most basic, but we are faced with the scarcity of transportation, of materials and of men.

I always visualize such a problem for myself. It has seemed to me that the area, as it were, needed for war has been growing more rapidly than most men outside of Washington have appreciated. There is not to-day room enough—neither equipment, nor materials, nor men enough—to carry on successfully a war like this one and at the same time support a business boom. The first thing is to decide just how large a space non-war business may occupy and still leave elbow room to fight this war as it should be fought.

By visualizing the problem, as I have said, it becomes immediately evident that something in the way of coordinating industrial activity is absolutely necessary. It becomes evident that such limitation is not up to the decision of some department or officer of the government; it is something to be done, if we would win the war, and the only question left is how to do it with the least inconvenience to business, and in such a way as to best preserve all our industries for the days of peace.

I think it very unfortunate that this discussion was first started in the newspapers under the misleading description of "non-essential industries." The misuse of words led to some very dangerous conclusions.

There are no "non-essential industries." Industries which do not minister to human safety, comfort or happiness fail to survive. Certainly no industries are non-essential to the workmen engaged therein.

This false nomenclature, suggesting something unimportant to the nation at large, led to a hasty assumption in fairly influential quarters that the so-called "non-essential industries" can be properly "swept from the board," to make room for the war game. For a moment, the fact was overlooked that ten million workers are dependent on these "non-essential industries;" and that thirty-five to fifty billions of the country's capital is tied up in their operation, and that with a structure so interdependent as the modern industrial and fiscal systems, one has only to attack the business community in the spirit of: "Cut off the non-essential industries" to insure a crash accompanied by the most widespread unemployment and insolvency ever experienced in this country.

Voluntary Limitations of Industry

IN considering the relations of different industries for the purpose of limitation, the true distinction is between industries directly essential to the war and those which are not.

Considered from this angle, every one with the future of the country at heart would study how to save these non-war industries for peace. The future prosperity and safety of the country is going to depend upon our emerging from the war with an economic and industrial system which can carry the support of one hundred million people.

The fact is that this is no time on the one hand for unthinking talk of cutting off "non-essentials," nor on the other for industries not essential to the war to hold back their share of the sacrifices. Government and industry must get together and have a perfectly clear understanding, first, of why limitation is necessary; second, where that limitation will do the least harm, and then work out a plan which both will support enthusiastically.

A number of large industries have greatly assisted us in working out our plans by voluntarily submitting specifications for limiting their own industries, and from their volunteering has come a plan which I wish to submit to-day. I wish to submit it in enough detail so that we can begin work at once, if it is approved, because winter is on.

The plan is this: It has been defined as a "voluntary limitation of the least essential portion of each existing industry," first, by agreement with such industry, or a majority of those engaged in it, and then having obtained this majority assent, restriction by government order. The order is necessary for two reasons. In the first place, participation by the government makes such arrangements legal; and in the second place, where there are many manufacturers in a given industry few dare restrict unless in some way assured that all their competitors must restrict also.

I will illustrate this plan by one or two cases which have come up in the last week.

MEN representing two-thirds of one large industry came to Washington and volunteered a reduction, in this case specified in hours of running, which would amount to twenty per cent of their present speed. Since this industry uses four and a half million tons of coal per year, this voluntary reduction would save nearly a million tons, besides relieving the railroads of a large amount of freight. In this case, the representatives of the industry proposed to look over their various lines and decide which could be best spared. The government was to make the agreed on "reduction in time" effective by specifying it in coal. We would order not only that twenty per cent less fuel should be burned this year, but would include in the order detailed restrictions to conserve the real interests of the industry.

In another case an industry has offered to discontinue for the period of the war their less essential items of manufacture. These items may be interesting and profitable to the manufacturer, but their discontinuance will do the least harm to the industry in the end, and so they are selected for sacrifice. Eighty or ninety per cent of the industry having decided it practical to discontinue this part of their product, the Government will come in and make the restriction uniform and one hundred per cent effective. The order will say to all: "No coal shall be burned for the manufacture of such and such items."

Restriction of electric signs, which has had much discussion, and has been tried for a month past with unclassifiable exceptions which could not be enforced, bids fair to be settled in this same way. First, by voluntary understanding, and then by an order that on so many nights a week there shall be no illumination.

What Coal Restrictions Will Do

TO return to the practical steps in carrying out this plan of restriction: Each industry should discuss their common interests, analyzing their lines minutely, and deciding where reductions can best be made. They should then agree with the Fuel Administration as to their share of the coal saving, which means more than coal saving, since transportation is over-taxed, and such reductions save not only coal transportation but much merchandise transportation.

The methods of reducing should be up to the industries. The amount should be agreed upon between the industries and the Fuel Administration, and in this connection I would suggest that the less an industry contributes toward the war, the more it should contribute in the self-limitation.

Having settled these details, having corresponded with us to make sure that the industry and the Government are together on the general plan, authorized representatives should come to Washington to work out some detailed agreement, which would then be put in the form of an order binding on all engaged in this line of manufacture.

Mr. Daniel Willard has said very happily that the real test of democracy comes when individuals make those sacrifices voluntarily which an autocracy would force them to make. The much-advertised restriction of "non-essentials" is a case in point. Here is a test as to whether this meeting is a success, whether the idea of appointing representatives of an industry to meet the government is a success. Can our great American industries do voluntarily what they have feared the government would do by force.

The details of this plan have not yet been worked out, but enough has been decided so that work can be started at once in connection with the industries represented here. You can start figuring out your just contribution to the country's war resources. I will not go over the old list, which is known so well, of the things that will win the war, but one thing is certain. The government being absolutely committed to win the war, there will be government limitation of the consumption of coal and other necessities if some system of self-limitation is not found successful.

In my opinion government limitation would necessarily be clumsy and would be a calamity. We cannot afford such destruction. We must find a way by which the men who know each industry will make the diagnosis

will decide what should be done, and let Government simply come in to make the restrictions uniform and universal.

I want to say in conclusion that with a very little figuring, a million tons here, five hundred thousand there, two hundred thousand, etc., it is possible to see where the fifty million ton shortage can be easily provided. I believe that American industry can, without serious injury to itself show the Government more than fifty million tons of reduction.

American business men want to know what they can do to help the United States in the war. Each wants to coordinate his part of the country's business with the Government so as to make them both more effective. They also are interested—and very rightly at such a time—in finding out what changes are necessary in their business, what the future has in store.

THERE is a cheap cynicism which we all, I suppose, adopt, as we grow older, that if we want to get anything practical from other people we must appeal to their self-interest. To a certain extent, I have appealed to self-interest, and I ought undoubtedly to appeal to self-interests in discussing the matter. But in spite of this cynicism, I cannot, at a time like this, put the appeal on such a basis. I must, in fairness, put my appeal squarely on the grounds of patriotism. I believe that the Fuel Administration can get the whole fifty million tons of coal needed on that basis.

The Key to the Russian Riddle

(*Continued from page 19*)

Russia however is not at all pessimistic. After my first-hand contact with the Russian people I have great confidence that they are advancing in their own fashion toward a stable government. Eighty-five per cent of the Russians are living on the soil. They are naturally stable, therefore. Moreover, the Russian peasant is peaceable, and he is very much under the influence of the Orthodox Church.

As for the speculation as to whether Russia will make a separate peace with Germany, I consider it profitless. Many things make such a peace next to impossible. Russia fears Japan. In the event of separate peace she might have good reason to.

Again, the Cossacks have to be reckoned with in this question; and they would never tolerate a separate peace. The Cossacks are the controlling class of Russia. They are the landowners of Russia, and the fighters of Russia, and they own the wheat region. They have, or will have, the whip-hand. They profoundly dislike and distrust the Kaiser and all his works. They will never consent to a Bolsheviki peace; and it is not possible without them.

What the Bolsheviki uprising amounts to is this: It suddenly dawned on the leaders of the party that it was they who had brought about the revolution; and they figured they'd just keep on running it. So they are running it; and the thinking people of Russia are sitting back, waiting for them to hang themselves on their own rope.

There has been talk about Siberia separating from Russia. Siberia is half as big as the United States, and has a scattered population of 12 million. To the south is Japan. Siberia is going to stay in line.

The same is true of Finland. Finland, cut off from Russian food, would starve. Finland is built, after the scriptural injunction, on a rock. Water drains through the thin surface of soil down to the underlying rock and stays there. Hay will grow on such land, but nothing else will. Hence Finland is a dairy country. Such a region must import grain and other things. Where will it get grain? Not from Norway and Sweden, for they are depending on us for it.

Germany, has little to expect from Russia, even in event of a separate peace. She holds at present a strip of country which includes Poland, and stretches from Riga to the Black Sea. This takes in ten provinces. It produces 200 million bushels of wheat, rye and oats, amounting to about three per cent of Russia's total. That is some help, but it is not essential to Germany. Nor are the mines she has found in Poland.

What Germany Needs

THE fact is that Germany is not particularly hard up for anything except fats. She draws on her own fields and on those of Austria and Roumania and Western Russia for wheat, rye, potatoes and beans. She even exports these commodities to the Scandinavian countries and Holland in exchange for the precious fats.

Germany's policy toward the peasants of Western Russia when she invaded that territory is in interesting contrast to that of the Russian government. They were told to stay on their farms, and assured that they would not be disturbed. They were urged in addition, to plant wheat—lots of it—and they were paid so liberally that they responded. There are a few things which the revolutionary government of Russia may still learn from the Kaiser.

It remains to be seen what we can do to help Russia. It remains to be seen what we can do toward the solution of her food problem. Surely we must strain every nerve in that direction if the opportunity occurs. Through food we may yet be able to recreate the Eastern Front, and hem the Kaiser in.



Coal is the great force behind the men in the trenches, behind the battleships; the transports, and the munitions factories. Its unlovely nuggets contain horsepower that drives freight engines and lights the feet of cities. Every ton of it that goes into electric signs advertising girl shows is just so much taken from war's necessities. A new Fuel Administration order prohibits the use of electricity for unnecessary signs and illumination on Sundays and Thursdays. New York—whose roofs and lights are shown above—is the most brilliant case in point. It is estimated that these dark nights will save the country from 150,000 to 200,000 tons of precious fuel yearly.

Organize—for the War and the Afterwar!

American Business, Upheld by New Ideals, Must Throw Every Ounce of Its United Strength behind the Government in Our Crusade Against the Highly Developed Forces of Autocracy

By R. GOODWYN RHETT
President of the Chamber of Commerce of the United States

IN calling the convention of business men held in Atlantic City last September, the National Chamber of Commerce did not confine itself to its own membership, but extended an invitation to many associations and individuals which had not allied themselves with it. The attendance was splendid and the spirit magnificent. The opening declaration is a notable document that should be read by every business man in the country. It concludes as follows:

"Undismayed at the prospect of great taxes, facing the consumption of its accumulated savings, American Business without hesitation pledges our Government its full and unqualified support in the prosecution of the war until Prussianism is utterly destroyed.

"Assembled on the call of the Chamber of Commerce of the United States and representing more than half a million business men and every industry in every State in the Union, this Convention promises to our people that Business will do all in its power to prevent waste of men and material and will dedicate to the Nation every facility it has developed and every financial resource it commands on such terms and under such circumstances as our Government shall determine to be just."

Amongst the resolutions adopted by the Convention was the following:

"WHEREAS, The dealings of the Government with the business men of this country incidental to the war will be on a scale and of a magnitude never before attained; and

"WHEREAS, It is desirable that a point of contact be established between the Government and each particular industry; *be it*

Resolved, That we urge all industries not already organized to become so at the earliest possible moment; and *be it further*

"*Resolved*, That all such industrial organizations should appoint a War Service Committee independent of any governmental committee such committee to be made up of representative men in the industry whether or not they be members of such organization; and *be it further*

"*Resolved*, That in all matters pertaining to any given industry the Government should deal with this committee wherever possible, leaving to it where practicable the proper distribution of all orders for material."

That Sherman Law Again

STEPS were immediately taken to carry out the provisions of this resolution. In order to ascertain the attitude of the Council of National Defense towards the organization of industries, a letter was addressed to it, and on the 27 of November a reply was received, which concludes as follows:

"The several committees appointed by the Council of National Defense and by the Advisory Commission have in each instance tendered their resignations and, in order to prevent a continuance of the embarassing situation wherein members of the committee were called upon to act both as government agents or advisors and at the same time as representatives of their respective industries, these resignations have been accepted. For the purpose of furthering the valuable work instituted by the government committees, however, it is most desirable that representative committees of the industries be formed by the industries themselves at the earliest possible moment."

The importance of industries organizing and being represented by a small War Service Committee is by no means confined to the help which may thus be given the Government, although that purpose is first and foremost. The time is rapidly coming when the Government will no longer be able to deal with individual enterprises, but must deal with industries as a whole and industries must be prepared to respond as such to the needs of the Government.

There are many industries which may sooner or later find themselves in difficulties about supplies or other things essential to their operation. For their own protection it is important that they should have committees thoroughly acquainted with their exact position and the position of industries directly or indirectly connected with them, and capable of presenting their cases to the proper authorities when the occasion arises. Then, too, the world is now topsy-turvy and no man can say upon what foundations business is going to rest when peace is restored. It might, therefore, for many reasons be of the utmost importance for industries to organize at this time with a view also to improving conditions and methods and to securing greater efficiency.

This at once suggests the question as to whether or not such organization would be in violation of the Sherman Act. Permit me briefly to review the course of combination in this country. For years I wondered at the enormous growth of trusts,—many of them by methods and with consequences which seemed morally wrong. It was not until the Annual Convention of the Chamber in 1914 that I realized the cause of this through a speech of Mr. Victor Morawetz.

When the locomotive, the telegraph, and the telephone began to draw the world closer together, the idea of individual initiative and individual enterprise began to give way to the thought of cooperative effort. There was a time when few questioned the maxim, "Competition is the life of trade;" but gradually men began to see in cooperation an even greater constructive force, and to get together in an effort to utilize it. The first attempts, as I recall them, were crude. Too often men gave more thought to how they could circumvent the agreements and beat their own associates than they gave to the wisdom and effectiveness of the agreements themselves. It was soon found, of course, that such an association was futile as well as immoral.

The next step was association for the purpose of getting something out of the public which could not otherwise be secured. Here the Common Law,—the law of common sense and the fundamental law of the States,—stepped in and prohibited any association which worked an injury to the public. Inasmuch as trade extended beyond the limits of the several States, it soon became necessary for Congress to enact a law governing this interstate trade, and so the Sherman Act was passed. That act reads as follows:

"Every combination, contract and conspiracy in restraint of trade or commerce amongst the States or with foreign nations is hereby declared to be unlawful."

MANY thought it was intended merely to make the Common Law applicable to interstate trade. In two of its earliest decisions on the Act, however, the Supreme Court construed its meaning to be precisely the reverse of the Common Law. In the first place, it held that *every* contract or combination made for the purpose of restraining trade, whether reasonable or unreasonable, and whether beneficial or inimical to the general welfare, was a violation of the Act. About the same time it also held that the Act contemplated only such a contract or combination as had for its *direct* purpose a restraint of trade and did not cover any contract or combination the direct purpose of which was lawful even though the indirect effect of it might constitute a restraint of trade. In other words, A and B, the owners of two factories, might not agree upon a price nor upon a curtailment of product, but A might buy B's factory or consolidate with B and thus effectively accomplish both of these purposes.

This direct conflict between the Common Law and the Sherman Act existed for fifteen years, during which period business men were in a state of confusion. Under the Sherman Act, as thus interpreted, there was no moral question involved. It was simply a matter of adopting a prescribed form. Under the Common Law it was altogether a moral question. Under the influence of this conflict in the laws and largely, as I believe, by reason of the confusion which arose in consequence of it, great trusts were formed by methods which would now be universally condemned and great wrongs were done which would not now be countenanced. And yet, when in 1911 the Supreme Court reversed its decision on both



of these points, the country arose in arms and an investigation was instituted by the Senate with the avowed purpose of finding some remedy for the disaster which it was felt must ensue.

The Committee of the Senate appointed in July, 1911, to investigate the subject made its report on the 13th of February, 1913. In this report Senator Cummins, Chairman of the Committee on Interstate Commerce, used the following language:

"The fair conclusion is that it is now the settled doctrine of the Supreme Court that only undue or unreasonable restraints of trade are made unlawful by the Anti-Trust Act, and that in each instance it is for the court to determine whether the established restraint of trade is a due restraint or an undue restraint. The Committee has full confidence in the integrity, intelligence, and patriotism of the Supreme Court of the United States, but it is unwilling to repose in that court, or any other court, the vast and undefined power which it must exercise in the administration of the statute under the rule which it has promulgated. It substitutes the court in the place of Congress, for whenever the rule is invoked the court does not administer the law, but makes the law. If it continues in force, the Federal courts will, so far as restraint of trade is concerned make a Common Law for the United States just as the English courts have made a Common Law for England."

On the fourth of March, 1913, the Wilson Administration went into office and a number of bills were introduced which finally crystallized in the enactment of laws known as the Federal Trade Commission Act and the Clayton Act.

The Committee in charge of the bill which resulted in the latter act came to the conclusion that it was utterly impracticable to define what was for and what was not for the common welfare. Congress could do no more than make unlawful certain associations which opened opportunities and temptations to combine to the injury of the public, although such associations in themselves might not be at all immoral or wrong. To illustrate: There is nothing wrong in a man carrying a pistol concealed on his person. At times it has proved of value to him in the protection of his life, but it has more often proved harmful to the public, and therefore, it has been made unlawful by most of the States of the Union. So Congress thought it might be with interlocking directorates which are prohibited in the Clayton Act. In the Federal Trade Commission Act an instrumentality was created which it was hoped would be helpful to business in determining in a practical way just what kind of competition was fair and what kind of combination was not harmful to the public.

In the past three years the public has gradually been realizing that in the determination of lawful combinations there is a great moral question involved. It instinctively feels that cooperation within certain limitations is for the public welfare; that it constitutes a great constructive force, the benefit of which is essential, especially when we come in competition with foreign trade. It is gradually beginning to see the absurdity of attempting to destroy all combinations because some combinations have proved harmful. Business men themselves are beginning to see more clearly wherein combinations have been wrong and where cooperation can be made right.

Unfortunately, the decisions in the Standard Oil and American Tobacco Company cases, made in 1911, have not been followed by others which would make their application clearer, and the lower courts have not been uniform in their decisions upon some of the collateral issues that have arisen. For instance, the decision of the District Court of Minnesota in the Harvester Case would seem to be in direct conflict with the decision of the Circuit Court of Pennsylvania in the Keystone Watch Case, where the questions were very similar. However, the conviction is gradually growing in the business world that the principle which places the whole question upon a moral basis, just as the Common Law does, is going to be the governing principle upon which future decisions will rest.

The recent decision of the United States Supreme Court in the case of the Hitchman Coal Company *vs.* Mitchell, where the question was whether labor leaders could so organize unions in open shops as to injure employers of such shops, would seem to confirm this view. There the Court holds that "the right to organize a union is unquestionable, but it is erroneous to assume that this right is so absolute that it may be exercised under any circumstances and without any qualification. Like other rights that exist in civilized society, it must always be exercised with reasonable regard for the conflicting rights of others, according to the fundamental maxim, 'So use your own property as not to injure the rights of another.' What the defendants were endeavoring to do at the Hitchman mine and neighboring mines was not a bona fide effort to enlarge the membership of the union since the new members were not desired or sought except as a means to the end of compelling the owners of the mines to change their methods of operation."

Perhaps this decision will turn the thoughts of labor leaders more to cooperation and less to coercion; more to ascertaining how the membership of their associations can add efficiency to the common cause,—increasing the production, improving quality and decreasing cost, thereby securing a better right to a larger share in the results which would thus be brought about. If, perchance, both associations of employers and employees could be directed to improvements in conditions in methods, etc., each in his own field, then a fuller and freer cooperation with each other must follow,—and much of the distrust which has existed might well pass away and with it the wastage of strikes and lockouts. A dream, you will say—aye, but all the great reforms of the world were first dreams which strong men made realities. Should this dream even partially become a reality, there need no longer be apprehension of competition from any other nation or peoples on earth.

MANY of our industries have been in the position of the famous unfortunate who stood between the devil and the deep sea. They felt that they had to organize to take up lost motion, to consolidate their strength so that they could save themselves from being crushed between the wheels of the war mills, and at the same time present a comprehensive, central organization to help the government win the war. On the other hand there was the fear such action might bring down on their heads the slings and arrows of our legislation—outrageous and otherwise—preventing combinations.

In December the chairmen of the various War Service committees met in Washington at the instance of the Chamber of Commerce of the United States. In a talk to these men, Mr. Rhett, president of the national chamber, met the problems of consolidation squarely, giving a terse interpretation of the effect on present war emergencies of the laws and decisions on combinations. The soundness of his views so impressed his hearers that we were convinced it would be a distinct service to our readers to repeat them here.

The Editor.

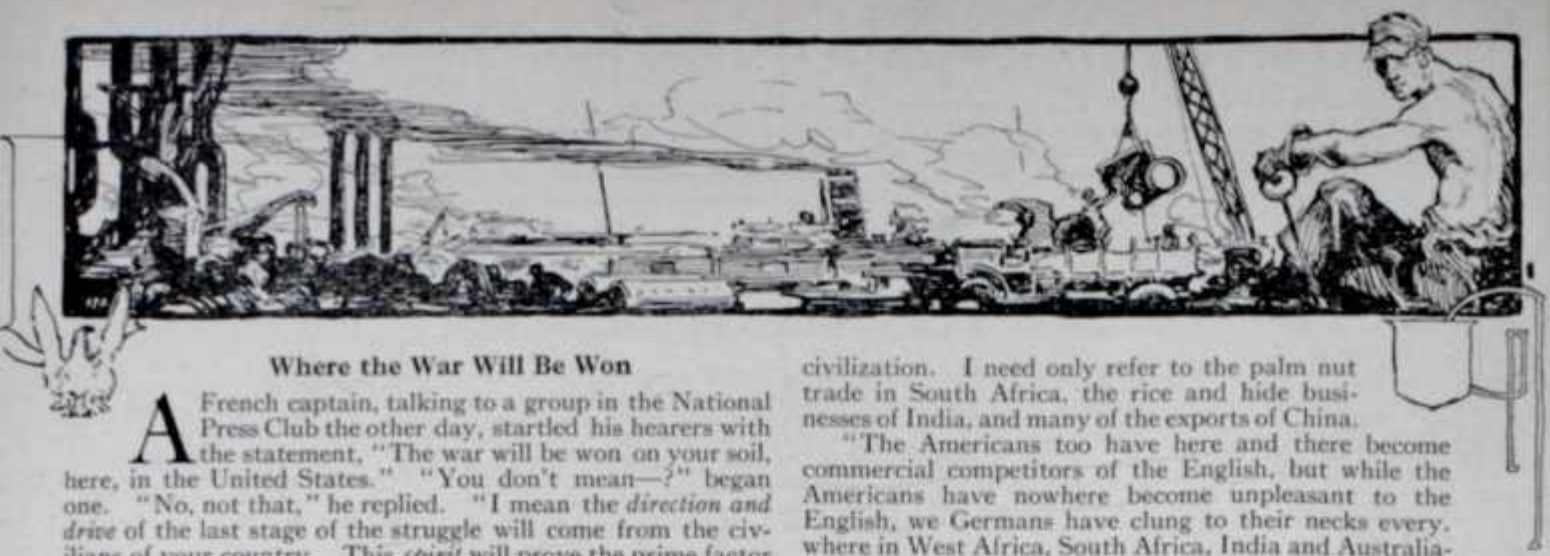
Getting Information Direct

THE Chamber of Commerce of the United States is organized for the purpose of encouraging cooperation, but its cardinal principle is that "What is not for the common good is not for the good of business." If you will write that principle at the head of your associations and live up to it, then you need have no fear whatever of violating the Sherman Act.

Of course, the organization of industries along the lines which have been suggested to you by the Chamber and approved by the Council of National Defense cannot possibly be in violation of the Sherman Act because the purpose of such association is to aid the Government in such manner as it might indicate. There is no question of a restraint of trade. The purposes are, first, the development of production of those articles which the Government needs at such prices and upon such terms as the Government may determine to be just; and, secondly, the assurance that officials who, during war may have to make decisions of the first importance to industries may receive expeditiously complete and authoritative information in order that no action may produce unintended harm.

AT THE request of the Committee on Public Information, THE NATION'S BUSINESS has printed in pamphlet form, for the benefit of those having war business or correspondence with Washington, a corrected list of government buyers with their addresses. Any reader who wishes a copy will receive it upon request.





Where the War Will Be Won

A French captain, talking to a group in the National Press Club the other day, startled his hearers with the statement, "The war will be won on your soil, here, in the United States." "You don't mean—?" began one. "No, not that," he replied. "I mean the *direction and drive* of the last stage of the struggle will come from the civilians of your country. This *spirit* will prove the prime factor at the mahogany peace table."

The Frenchman has phrased what many of us have vaguely felt. That indefinable something which we call *spirit* or *morale* is necessary to victory. A follower of sports recognizes its absence when he says a team is in "a slump" or has "gone stale." Some daring writers dissected it psychically and found it to be an inner atmosphere, binding the units of a human machine into a complete harmony of purpose. The rank and file of us call the same thing "team-work" and let it go at that.

Team-work will win the war for us. It follows that any force, innocent or malign, which tends to impair this team-work, this unity of purpose, should be promptly classed as enemy alien and interned. There are many such forces at work to-day. Last week a report gained wide currency in western states that the Red Cross was in the hands of Wall Street and that 75 per cent of the contributions were going into Wall Street pockets in the form of salaries. That report, absurd as it is, gained credence with a great many; and this canard is only one of a number which could be mentioned.

The stuff that makes for hesitation, that destroys zeal, and undermines spirit is composed of such rumors as these. The proper way to treat such a rumor-bearer is to grasp him by the arm and say, "This thing should be looked into. Let's go together at once to the source of your information and assure ourselves of its authenticity. Then we'll be able to act." In nine cases out of ten the rumor begins to fade until it reaches the source where it vanishes into thin air.

Two French soldiers in the trenches were talking. "We'll win," said one, "if they'll only hold out." "They? Who?" said the other. "The civilians at home," replied the first.

That bit of dialogue contains the heart of the whole matter.

Exit the Good Old Days

EMIL ZIMMERMANN, a German economist and author of some discrimination, contributes an article of interest to the März of November 3 on the subject of German ideas of and relations to international economics. He refers to a German "policy of world economics" of which von Caprivi may be called a father, and von Tirpitz, von Bulow and Reventlow, jingoes all, are the most conspicuous German advocates of the moment. These men demand, consistently with their policy, all of Belgium and the coast of Flanders. But Zimmermann holds that the whole world declines to accept this consequence of German economic world policy; in fact, declines to accept the policy itself, and he is inclined to justify the world in this position.

He declares that the German economic world policy was nothing else than a German colonial policy carried on in lands belonging to others. It meant letting others enjoy the honor of having their flag float over a land, and paying costs of exploration and development, while the Germans were skimming off the cream of its commercial exploitation. Zimmermann says, frankly:

"It is notorious that we monopolized certain commercial outputs of whole territories which others had reclaimed to civilization. I need only refer to the palm nut trade in South Africa, the rice and hide businesses of India, and many of the exports of China.

"The Americans too have here and there become commercial competitors of the English, but while the Americans have nowhere become unpleasant to the English, we Germans have clung to their necks everywhere in West Africa, South Africa, India and Australia. All we have offered them in return is the open door to a few undeveloped German colonies, for the development of which we have done next to nothing, while we have always had enough money to invest in China, Venezuela, Central and South America and in South Africa—all of which money we may now, by the way, chalk up in the chimney! One of the English reasons for carrying on this war is to eradicate just such evils.

"Viewed from this standpoint England is in the right. What Germany has demanded of England could also be asked for by the United States, Japan and other aspiring nations, and that, of course, England cannot allow. England has not acquired her colonial possessions to furnish 'a chance to the efficient' but to give her youth an opportunity for enriching themselves in her colonies. England will not again open her doors, unless compelled to do so. It is for these reasons that I disagree with the demands of von Bulow, Tirpitz and Reventlow for a policy of coercion; for this reason that I say: Hands off of the Anglo Saxons!

"We must judge the English soberly. We must emancipate ourselves from them but we must, at the same time show them that we can get along without them. Germany should develop her commerce by her own power, by creating her own world economics. Germany needs great spheres of interest, and to prevent the further danger of world wars, she must discontinue fighting for markets."

A Crisis in the World's Fever

THE next six months are critical months for the Allied cause. We shall be at that twelve-day stage where the doctor watches the fever closely to see which way it will turn. Germany realizes this and will act accordingly. She sees the big brother coming to take the part of the younger brother who is being attacked by the bully and the bully will try to finish his work before the big brother arrives.

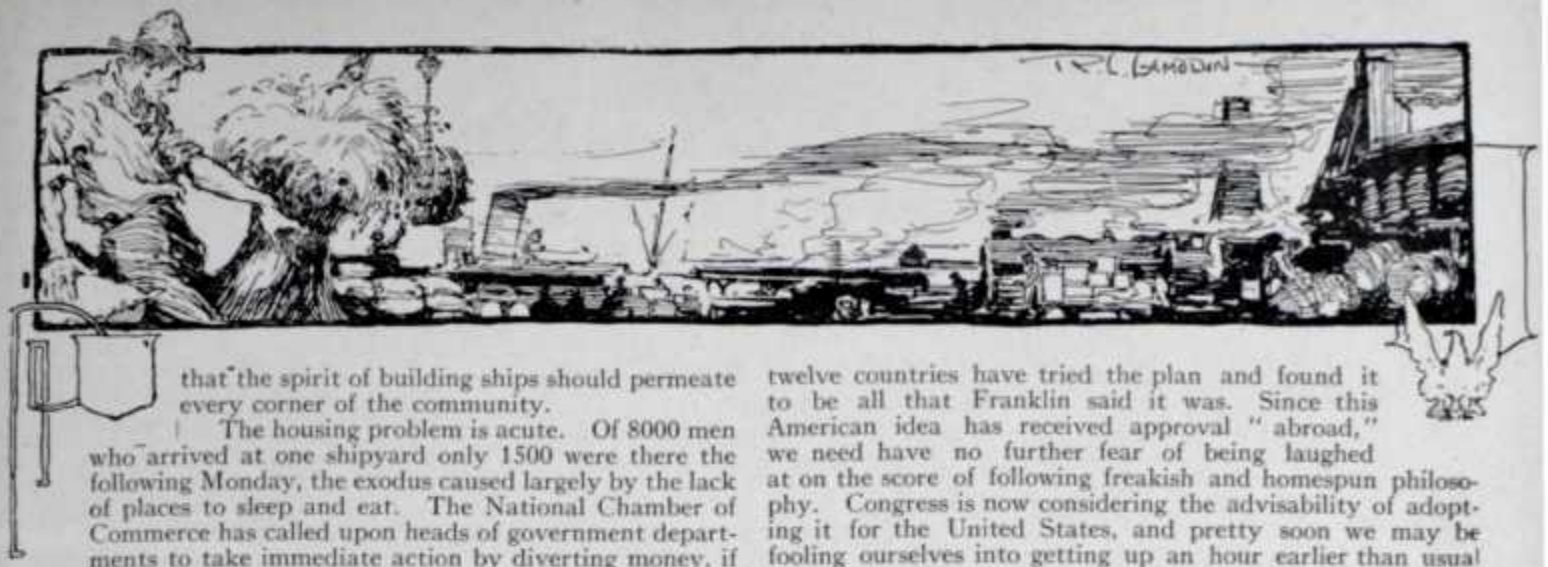
One word will decide whether the big brother is to arrive in time. That word is ships.

Every resource of the nation should be pointed then, to the building of ships. Communities where ship parts are being manufactured, no less than communities where the shipyards are located, should keep in mind the main job, morning, noon and night. They should see that the laborers are comfortably housed; they should see that ship material is given priority not only in spirit but in fact; they should see

SCRAPPING

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on July 1, 1918. After that
right-hand-plowed corn and



that the spirit of building ships should permeate every corner of the community.

The housing problem is acute. Of 8000 men who arrived at one shipyard only 1500 were there the following Monday, the exodus caused largely by the lack of places to sleep and eat. The National Chamber of Commerce has called upon heads of government departments to take immediate action by diverting money, if necessary, from less immediately needed activities to the purposes of housing shipworkers. The country, this organization asserts, will endorse and stand behind such officials in what is, perhaps, unprecedented action. The temper of the American people is for action and they will place a laurel wreath on the brow of the government employee who cuts the red tape, slashes precedent, and gets done the thing the war emergency demands.

Investigate!

NOR should the fear of Congressional investigations, as some suggest, keep officials too close to the beaten path. These investigations, such as we have seen in the past month, are carried on in a helpful spirit (with the exception of Senator Reed's persecution of Mr. Hoover) and are therefore salutary. They are typical of the way Americans do things. We plunge along, then stop, take stock and lunge ahead again. It would give occasion for alarm if apathy as to the progress of the war did not call forth an investigation. The American people would rise up in wrath if any committee, Congressional or otherwise, should undertake to censure a government official for a technical breach of the law in the accomplishment of something that was clearly necessary to the nation.

Congress Listens To Ben Franklin

THE uncommon sense of Benjamin Franklin is a good text-book for Americans of to-day to study. We were reminded of this the other night when we heard of a man reading from the evening paper, with the aid of a kerosene lamp and four lighted candles—the cold weather having caused the partial failure of his gas supply—an article on the necessity of personal economy in order that we may have means wherewith to buy Liberty Bonds and War Savings Stamps. We got out our "Autobiography" and read again the words of Franklin:

"In walking through the Strand and Fleet Street one morning at 7.00 o'clock, I observed there was not one shop open, though it had been daylight and the sun up above three hours; the inhabitants of London choosing voluntarily to live much by candle light, and sleep by sunshine; and yet often complain, a little absurdly, of the duty on candles and the high price of tallow."

If the American people can once get light enough on this subject of daylight, they will follow the example of Europe and put Franklin's theory into practice. As a war measure, twelve countries have tried the plan and found it to be all that Franklin said it was. Since this American idea has received approval "abroad," we need have no further fear of being laughed at on the score of following freakish and homespun philosophy. Congress is now considering the advisability of adopting it for the United States, and pretty soon we may be fooling ourselves into getting up an hour earlier than usual by the simple expedient of turning the clock ahead.

A Declaration of Chemical Independence

GERMANY will find to her sorrow that the peace table, dealing with tangible things, will not consider one phase of the results of war which will affect her mightily. Because England, America and France have made themselves independent of her in many industries, Germany will lose something more valuable than territory.

The chemist is largely responsible. He has the Great War to thank for leading him from behind the bowl and pestle of a drug mixer into the full light of public understanding and favor.

When Germany failed "to take Paris in three weeks and London in three months" she saw her explosives, so carefully hoarded for years, diminish to a danger point, with no raw materials with which to make more. It was the chemist that saved her. He wrested ammonia and nitrates from strange sources and turning to Germany's highly developed chemical factories produced these basic substances of high explosives in fabulous quantities.

But in so doing he threw down the challenge to English and American chemists. They in turn swung into line and defeated the unholy purposes of Germany. No page of the war's history will shine so brightly as that which sets forth the remarkable expansion of the chemical industry in England; in two years it had entered fields formerly held by Germany alone and even outdistanced the forty years of German preparation and development. The knowledge that the German can be met and defeated on what has hitherto been his own ground will not be thrown into the balance at the peace table, but it nevertheless will work more to the disadvantage of Berlin than many square miles of territory lost.

National self-containedness has been the slogan of American chemists, and one of its results is to be seen in the quarter of a billion increase in the capital of chemical plants. In the dye stuff industry alone, where once we were largely dependent, we are to-day manufacturing 75 per cent of our dyes stuffs and even export to England and France. To gauge better this accomplishment, consider that coal-tar yields by distillation ten crude products from which in turn are produced not less than 900 separate and distinct chemical products.

The American chemist has also embraced many other branches of American industry. Manufacturers of incandescent gas mantels may hereafter obtain at home an adequate supply of thorium nitrate. Makers of paints and enamels need no longer import barium from Germany. Chloroform will be manufactured during the war and after from acetone produced in greatly increased quantities in this country. Inflammable picture films may be a thing of the past after the war because our chemists have found that cellulose acetate makes an excellent and non-inflammable movie film. These are only typical of many others.

Chemistry is the handmaiden of business, and far-sighted business men will see to it that (*Continued on page 34*)

ÞE WHIMS

," notes the author of *Some Century*, "I met more than ades, customs for which once nued existence today can be ble influence which causes a ss of what modern invention spirit in the fastness of the in enlightened America—how afforded by what the natives ox was a common beast of came into vogue. The reason section of the peasantry still ifacturers are put to the ex- erials, and so forth, and the

server might have made six hs hence. War has scrapped ave declared it to be a real id labor—a nuisance. There- elves to stop its manufacture will be patriotic to eat only

THE SKELETON IN OUR FOREIGN TRADE CLOSET

No. 3—A Definite Expression from Congress Would Free Our Exporters of the Old Fear That Combination in Extending Our Markets is Illegal

By WILLIAM S. CULBERTSON
Of the United States Tariff Commission

WE can not remind ourselves too often in considering foreign trade that there exists among the business interests of other nations extensive interlocking in financial, commercial, and industrial matters. This fact alone is sufficient to make the problems of our foreign trade different from those of the domestic trade. Public policy has demanded competition within the United States as the best guarantee of protection. However paradoxical it may sound, co-operation among American competitors for the purpose of selling their goods abroad means *ipso facto* more effective competition in foreign markets. In other words, competition which the American public seeks to get by denying to combinations the right to do business within the United States may be obtained in foreign markets by permitting combination. The unified, not the scattered, forces of American business will be able to present the most effective and fair competition against the large and powerful combinations of other industrial nations.

It has not been long since that a misunderstanding existed between the American public and American business. The public has taken the position that its protection depends upon free and untrammeled competition. It has insisted that restraints of trade and monopolies should not exist within the United States. By the Sherman Law it has made restrictions of trade and attempts at monopolization criminal acts and has also given the Government power to institute suits against business concerns for the purpose of breaking up and destroying large aggregations of capital.

Business men on their part have sought to escape the evils of unrestricted competition by combination and price agreements. Some of them have attempted by means of consolidation of small business units, by mergers, by holding companies and by other devices to suppress and destroy competition among themselves. Others have been guilty of unfair methods of competition and restraints upon competitors which have tended to create a monopoly in the hands of a few.

Where The Trouble Lay

FOR many years the public did not appreciate the needs of business and did very little through its Government to render constructive assistance. Business, on the other hand, was slow to realize what the real difficulty with it was, and endeavored to apply the wrong remedy. It did not recognise, as most business men now do, that the anti-trust laws are a permanent part of our American policy. Construed as they have been by the courts, they maintain wholesome and fair competition and prevent stagnation and inefficiency which come from the absence of the stimulus of competition. They represent, however, only the negative side of the Government's relation to business. It is fortunate that the Government now realizes its constructive duty toward business, and that business appreciates better its attitude toward the public.

Public interest, after all, includes not only the interests of the consumer but the interests of the producer. One of the helpful results of the war is that the Government and business are learning how they may cooperate effectively in the interests of the country as a whole. Government and business have come to a place in their relationship from which real progress can be made in our economic development.

In the minds of business men a doubt exists as to whether or not the Sherman Law applies to associations organized solely for export trade. This doubt is one of the obstacles in the way of the organization of export associations among American business men. They are not willing to invest their capital in an enterprise upon the basis of a legal argument showing from the decisions of courts that voluntary restraints of competition among business men for the sole purpose of marketing their goods abroad is now reasonable and legal under the Sherman Law. The Federal Trade Commission asked a large number of manufacturers this question:

"Do you believe that the law now prohibits combination or cooperation solely for export business, not accompanied by oppressive or unfair practice toward competitors?"

Of those who answered in a direct way, 512 or 56 per cent, were of the opinion that the present law prohibits export combinations or cooperation. Eighty-seven of the 512 who thought that our laws now prohibit export associations gave their opinions upon the advice of counsel.

Even those business men who interpret the Sherman Law to mean that cooperation for the purpose of export trade is now legal, say that they are not willing to risk their capital and money in such enterprises so long as their legality is in doubt. The doubt which thus hangs over American export trade must be removed if progress is to be made in this promising field of American business.

The report of the Trade Commission has demonstrated the fact that there is a wide and insistent public demand for such legislation. The decisions of the courts show that such legislation would be entirely in harmony with the construction of our anti-trust laws—in fact, it would simply *declare* certain associations to be reasonable and, therefore, legal under the Sherman Law which are *now* reasonable and legal under it. The difficulty is that the question has not been raised squarely in the courts, unconfused by questions of restraint of American domestic trade. American business has at its door the greatest opportunity that has ever come to it of developing business in foreign markets. Domestic conditions demand that we should have a permanent and steady outlet for our goods abroad. Hesitation and delay may be fatal. Public interest and public welfare demand, not an amendment to the Sherman Law, but a clarification of its provision.

THE Webb-Pomerene Bill, which passed the Senate shortly before the Holiday adjournment, is still waiting, at this writing, to be called before the House and told what that branch of Congress thinks about it in its present form. The pleasure of the House may be known and the fate of the bill decided before this issue reaches our readers.

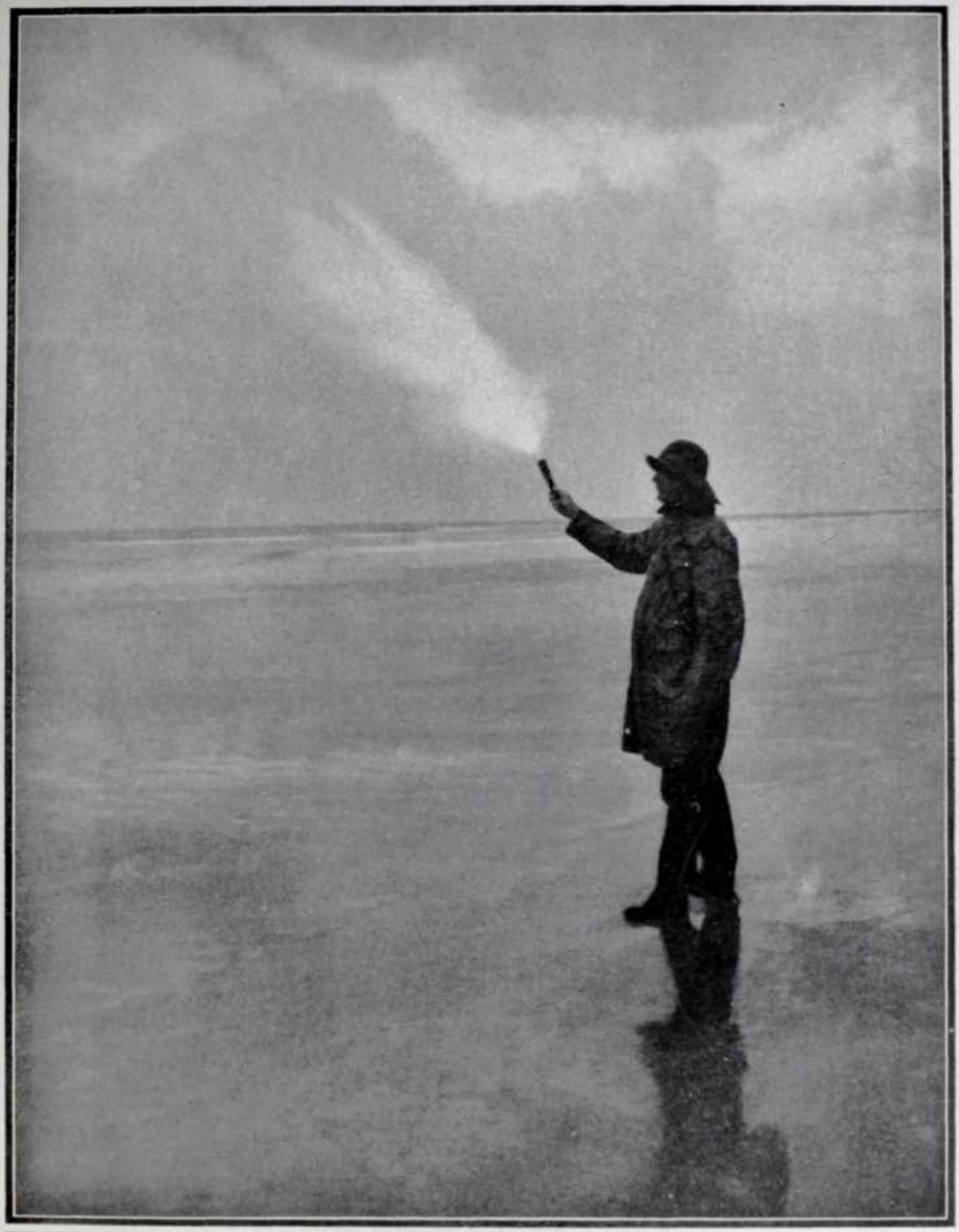
This is the bill intended to remove from the minds of American business men all doubt as to their legal right to combine for purposes of foreign trade. Under its provisions, export associations may be formed, business men may cooperate with each other, and competition may be eliminated—so long as all this is done solely in foreign commerce and domestic trade is not affected.

President Wilson urged the present Congress to take final action in the matter. In his address at the joint meeting of the two houses at the beginning of the session, he said that "the legislation proposed at the last session with regard to regulated combinations among our exporters, in order to provide for our foreign trade a more effective organization and method of cooperation, ought by all means to be completed at this session."

Protecting the Domestic Consumer

THE clarification needed should point out the distinction between restraints of trade which injure or affect the domestic market and those which are reasonable and legal in the development of export trade. In the first place, any bill enacted by Congress should contain ample provisions to protect the domestic consumer from any oppressive methods and improper conduct by export associations. All the provisions of the anti-trust laws of the United States should be preserved intact.

Export associations should be hedged about with conditions so that they could not, without breaking the law, control within the United States the production or distribution of the articles which they export, could not oppress labor, or unduly or intentionally increase the price of any commodity to the American consumer. No act, whether done here or in a foreign country, which restrains trade within the United States, should be exempted from the operation of the anti-trust laws. It is not impracticable to draw a line between foreign and domestic trade and to insist that manufacturers shall compete in the purchase of their raw material, in the employment of labor and in the sale of their goods in the domestic market and at the same



COURTESY OF THE U. S. COAST GUARD SERVICE

YOUR morning coffee comes to you in dull gray merchantmen. You sip it in security because of plunging war ships that watch the black seas. Few Americans know anything of the double part played by the United States Coast Guard Patrol Service in keeping the land safe from the threat of sea attack, and in warning the groping ships of perils from the shore. Through sweeping blizzards and fogs of night, and on rainy days, 3,000 men of this service walk beats on your lonely coasts as policemen do in the cities. The surfman in the picture is signalling danger to a vessel off shore. At sunset every evening men start out from each little post. They walk in the same direction, keeping a keen lookout seaward and for signals from other stations. Each man leaves an identification tag or registers his time watch with a key where his beat ends. Patrols from the opposite directions collect the tags at the posts and leave their own. In this way a check is kept to see that each is performing his duty. Patrol service warns ships and protects the coasts of our continental waters, the Great Lakes, Alaska, Hawaii and Porto Rico. When you unfold your breakfast napkin be reminded of the debt you owe these men.

time to permit them to pool their interests and their forces for the purpose of selling their goods abroad and competing effectively with their strong and entrenched foreign rivals.

In the second place, the situation demands an authoritative statement by Congress of its policy toward export associations. It demands that there be written into legislation what will amount substantially to a decision of a court upon the reasonableness of associations organized solely for the purpose of export trade. This may be accomplished in at least two ways. It would be entirely feasible to define the method under which export associations could be organized; that is, Congress might say that it would be lawful for competing manufacturers to own stock in, and thereby control, a corporation with which each manufacturer would make an exclusive contract for the purpose of selling his goods abroad. Congress might also state any other method of organizing an export association and say to the American business men that if they desired to cooperate for the purpose of furthering their export trade, they must do so in this manner in order to avoid the effects of the law.

Another way to accomplish the same end is to provide that all voluntary restraints of trade, that is, all acts or agreements by which manufacturers mutually agree to suppress competition among themselves, shall be lawful when the object of the suppression of competition is to make more effective the competition of American business men in foreign markets. In this way, all voluntary restraints of trade, by whatever method accomplished, would be lawful so long as they related solely to the export trade. Such a law would necessarily have to be hedged about with a number of provisos stipulating that export associations so organized should not restrain trade within the United States, and should not by unfair methods of competition injure the trade of any American competitor in export trade.

Organizing for Export Trade Only

THE second method is the one adopted by the authors of the Webb-Pomerene Bill. This bill declares that nothing contained in the Sherman Law shall be construed as declaring to be illegal an association entered into for the sole purpose of engaging in export trade and actually engaged solely in such export trade, or an agreement made or act done in the course of export trade by such association, provided that the export trade of no domestic competitor is restrained and provided trade within the United States is not restrained, as, for example, by unduly enhancing or depressing prices.

This has an advantage over the first method in that it permits business men to choose the form of organization best adapted to their needs. If one form of organization is lawful, another would also be, and one form of association may be desirable in one industry and an entirely different form in another. The evil to be guarded against is not any particular method by which American business men may suppress competition among themselves for the purpose of selling their goods abroad, but the restraint of trade within the United States and unlawful activities of export associations outside the purpose for which they are authorized to be organized. The real evil can best be guarded against by retaining full force and effect of the anti-trust laws of the United States on those activities of export associations which extend beyond the sale of goods in foreign markets.

Section 7 of the Clayton Law prohibits under certain conditions common stock ownership. It provides that it shall be unlawful for one corporation engaged in interstate commerce to acquire, directly or indirectly, the whole or any part of the stock or other share capital of another corporation where its effect might be to lessen competition substantially between the corporation whose stock is so acquired and the corporation making the acquisition.

The Webb-Pomerene Bill

THIS provision would not, of course, prevent manufacturers from holding the stock of another association the purpose of which was to sell their goods abroad, since there is no competition between manufacturers and their selling organization. Nor would the selling organization be a holding company within the meaning of the second paragraph of Section 7. Instead of holding the stock of manufacturing corporations, its stock would be held by manufacturing concerns. Another provision of Section 7, however, is that the effect of the acquisition of stock by one corporation in another shall not be to restrain commerce in any section or community, or tend to create a monopoly of any line of commerce. Here we have the test of the Sherman Law, and as a result common-stock ownership wherever it tends to bring about a result condemned under the Sherman Law, is prohibited. Many of the associations formed for the development of export trade will be controlled by stock ownership.

The Webb-Pomerene Bill, therefore, provides that nothing contained in Section 7 of the Clayton Act shall be construed to forbid the acquisition or ownership by any corporation of the whole or any part of the stock or other share capital of any corporation organized solely for the purpose of engaging in export trade, unless the effect is to restrain trade and substantially lessen competition within the United States.

The Webb-Pomerene Bill, in the next place, extends the provisions of the Federal Trade Commission Act against unfair methods of competition to export trade and provides that unfair methods are unlawful even when done outside the territorial jurisdiction of the United States. It remedies the defect in our anti-trust laws revealed by the case of the American Banana Company against the United Fruit Company, and, therefore, adds to the effectiveness and scope of these laws.

Supplemented by Section 5 of the Federal Trade Commission Act, it will prevent an export association



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from engaging in unfair methods of competition against a competitor, either in this country or abroad. It will prevent predatory price-cutting, the inducement of the breach of contract, the maintenance of bogus independents, threats and espionage, disparagement of goods, false and misleading advertising, fighting brands, boycotts, fictitious suits and actions, enticing away of a competitor's employees, and any other method indulged in by one business man for the purpose of putting out of business another. It would insure that the channels of American export trade would be kept free and open and that the development and strength of any export association would depend entirely upon efficiency and fair and honest cooperation.

Finally, the Webb-Pomerene Bill provides for strict supervision of export associations by the Federal Trade Commission. Each association must file a statement of its place of business, names and addresses of its officers and stockholders, if a corporation, a copy of its certificate or articles of incorporation and by-laws, and if unincorporated, a copy of its articles or contract of association. The Federal Trade Commission will have power to require each association to furnish information as to its organization, business, conduct, practices, management, and their relation to other associations, and if the Commission has reason to believe that an association is violating the law, it will be its duty to summon it before it and conduct an investigation.

If the Commission concludes that the law is being violated, it may make recommendations to the association for the readjustment of its business in order that it may be conducted in compliance with law. If the association fails to comply with the recommendations of the Federal Trade Commission, the findings and recommendations of the Commission are to be referred to the Attorney-General of the United States for such action as he may deem proper.

The enactment of the Webb-Pomerene Bill will not assure the success of American export trade. It merely removes an obstacle. The responsibility for the constructive work of building up export associations and for their successful operation rests primarily on American business men.

The Catechism of Foreign Trade

FOREIGN business has problems peculiar to itself. What countries shall be selected as markets? Shall it be the Orient? South America? Europe? What are now, or will be after the war, the needs and problems of each market and how can they be met? Shall the export association whose organization is under consideration handle competitive lines or non-competitive but kindred products? Can the products chosen be successfully marketed through a syndicate? What methods of marketing shall be adopted for raw materials? Semi-finished products? Manufactured goods? Specialties? Shall the association be autonomous? Shall it deal with buyers as principal or agent? Shall it have stockholders other than the manufacturers whose goods it distributes? Shall it assume all credit risks or shall these be borne by the individual manufacturer? How shall profits be distributed and losses be taken care of? How shall business be apportioned among the manufacturers who are using the export association for selling their goods in foreign markets? Shall sales be pooled? Shall the percentage of business for each concern be determined by the amount of foreign business each had before the association was organized? Or shall territory be divided? (*Continued on page 54*)



A White List of Business Books

By JOHN COTTON DANA

Librarian, Free Public Library, Newark, N. J.

No. 4. Organization

With a Note on Book Buying by Business Men

THE average business man usually makes a poor job of buying books. The reasons for this are, (1), He does not know how, and, (2), He does not ask an expert.

He never learned how because, as a boy, he was not compelled to, either at home or in school; and because, when he went to work, the only gospel he heard was that of learning by doing; the method of the "hard-headed, practical man of affairs," plus that of learning by keeping his ears open!

He does not ask an expert, because he has never heard that a man who knows books, an expert, knows anything more than "library" books, that is, highbrow books, literary books the "professor" uses, books his wife and daughter talk about at their clubs, and novels;—only the "deep" ones he never reads himself!

Now the fact is that handling books is quite a trade. It means, in its larger sense, getting knowledge of books of every kind, of books on Tanning Leather and on the Purchasing Powers of China as well as of books on Greek Temples and Mound Builders of the Mississippi Valley.

But, you may ask, can a mere "book-man" learn anything about real business from books? He certainly can. It would be easy to find men, and women too, book people, closet philosophers, who can, from books,—and the word here includes journals,—learn and set down in plain reading a better statement of the latest and best processes,—barring those which are in fact, and not merely in imagination, trade secrets,—that are employed by almost any field of human activity, more wisely than can nine out of ten of the business men who are making money out of those same processes.

That seems a daring statement. I make it chiefly to call attention once again to the fact, which these "White Lists" are largely planned to bring out, that all of business ways and business knowledge, all of it, is in print, and that a skilled book worker can find it and can use it, and can make it useful to others.

Buy the Books You Need

RETURNING to the bad habit of buying books unwisely, in which so many business men indulge. It shows itself chiefly in homes. Here you will find,—if you find books at all,—countless book cases, very shiny, with glass doors very tightly shut, full of useless truck, often bought from agents at exhorbitant prices. The book-man sees these, perhaps is asked to admire them, and weeps to think that a shrewd man, successful in his particular game of life, can be so dull as to spend his money on books in contented ignorance and to take pride in his purchases!

For his shop or office the business man buys with even less skill than he does for his home;—for he doesn't buy at all!

After a tirade like that a little advice is due, and here it is:

1. Buy the books you need.
2. Find out what you need from an expert.

Books contain information. Every man needs information. If he thinks he does not, that's a sure sign he does. Tell an expert on the subject of "what there is in print," or permit him to learn what your business is; then he will name to you books that will give you information which you have not, and tell you how you can get it out of them.

3. Buy books of a book dealer, the best you can find. You need not go to his store yourself; send him a letter. If you have a large order and are not sure you know a reliable dealer, ask the librarian of your public library to name one. If your public library is quite small, or if, whether small or large, it is run by its trustess and not by its librarian, then write to your state library commission at your state capital. Nearly every state has such a commission, and its business is to advise all applicants for information on books, book-buying and book-using. These commissions employ skilled people to give this advice.

How to Go About It

THE owner or manager of a very large business will not, of course, do the book-selecting and book-buying. He turns it over to someone. That someone will be wise if he goes first of all to the public library. If the local library is not a big one, let him try the nearest city. He should tell who he is and what he wants. What he wants is this: a chance to look over at his leisure, all the books, journals, etc., that the library thinks would interest a man who plans to buy a special library on his own business. This is not a trade secret or anything to be kept from competitors, so he can speak freely; indeed he will save time and trouble if he writes or phones before he makes his visit, stating clearly and fully his wishes. He will then find, when he gets to the library at the hour and day he has named, the things best worth his seeing all set out for him in a quiet corner, and also some one ready to explain matters to him and answer questions. Having had his eyes opened to the literature of business in general and of his own industry in particular, by the library visit, he will be quite wise if he frankly tells his employers that they should turn over to an expert the selection and the purchase of the books and the installation and management of the whole library scheme.



Incidentally it may be said that there are a few books, of the kind commonly called "reference," which every large concern should buy and place where they can be easily used by the management, the office staff, foremen and heads of departments.

It may be well to say that all the above advice has been written with a "business" library in mind, that is, a library the first purpose of which is to help a concern to go. A library which is to form part of a welfare movement, for employers generally, is quite another thing.

Business Organization

EXECUTIVES will be interested in these for they treat the subject in several different ways.

Industrial Preparedness, by C. E. Knoeppel. Engineering Mag. Co., $1, 1916, written nearly two years after the European War started, includes a scathing criticism of lack of organization and cooperation in this country, both within individual business houses and between business and government. It tells how military and industrial preparedness were secured in Germany, and what we can learn from it.

Administration of Industrial Enterprise, by E. D. Jones, Longmans, $2, 1916, has special reference to factory practice. Dr. Jones is professor of Commerce and Industry in the University of Michigan and has written several books on administration and this one is a general statement of its main factors. It is easily understood even by one unfamiliar with organization on a large scale. Departments are taken up in turn. There are chapters on cost accounting, employment of labor, welfare work, and on purchasing, store, selling, advertising, and traffic departments.

An Approach to Business Problems, by A. W. Shaw, Harvard Press, $2, 1916. Treats of organization in a manner quite different from that used in either of above books. Each subject is thoroughly analyzed, and all factors involved set forth. Possible methods in each case are presented, with conditions under which each can be used to best advantage, and conditions under which certain methods can not be used at all.

The New Industrial Day, by Wm. C. Redfield, Sec. of Commerce in President Wilson's Cabinet, Century Co., $1.25, 1913. Written five years ago, but still interesting and helpful. Mr. Redfield has had experience as executive of a large house in export trade, and is familiar with business conditions in other countries. He maintains that the greatest business evil in this country is waste. Few practice economy. Thus far it has not been necessary, but, with the coming of European competition, the need for it is very clear. Stories from his own experience prove this.

The Awakening of Business, by E. N. Hurley, Chairman of Federal Trade Commission (now Chairman

(*Concluded on page 55*)

A Declaration of Chemical Independence

(Continued from page 29)

the remarkable structure which American chemists have fabricated will be maintained after the war.

Casey Jones Abroad

THE Seoul Press quotes a Japanese paper, published at Harbin, to the effect that the American engineers who lately arrived in Siberia to serve on the Siberian railways have operated trains at Tomsk with remarkable results. Russian engineers, graciously said their American comrades would be able to run 24 trains during 24 hours. The Americans ran 70 trains during 24 hours without a hitch.

Mr. Poppolous at the Crossroad

THERE are in the United States no fewer than five or six million persons who are not, emotionally, Americans. Some of them are citizens of the United States, some are not. They are the immigrants who have remained in ignorance of the spirit of our laws, our institutions, our ideals. They have not learned enough about America to love her for what she is, their hearts have not been touched. America is only a place which offers them a day's wage for a day's toil. In the present crisis, they do not know the thrill of self-sacrifice for the things for which we stand.

The fault is largely ours. These people have remained aliens in spirit if not in fact because we have done too little work of a positive character to make Americans of them. The explanation that they should have found out for themselves explains nothing. We can take the initiative easier than they can. We have at least as much at stake as they have.

If we do not tell them what Americanism means, the foes of America in America, of whom apparently there are many, will tell them after their own fashion. They will misrepresent us, they will sow the seeds of disloyalty, distrust, repugnance, in the mind of the alien, who is standing at the crossroads, and turn him against us. And once his face is set against America, he may become the source of mischief.

The alien is helping to turn out our shells, mine our coal, keep up our railroad trackage. He is building motor trucks for war, railroad cars to haul supplies of war, furnishing steel for men-of-war. It is vitally important that that labor should be elevated into an act of patriotism. The interests of the United States will be safer in the hands of the munitions maker who sees in imagination the shell upon which he is working destroying a German trench, who hopes with all his heart that it *will* destroy a German trench, than in the hands of a man who doesn't care a snap of the finger whether German trenches are destroyed or not. The only way in which that patriotism can be aroused is by interpreting America to the alien.

We must go to the alien, at least so think many American cities. Cleveland furnishes an example of constructive work. Aliens are being taught English and civics. More than 300 bureaus have been set up for the dissemination of accurate information regarding America, especially with reference to matters connected with the war, the draft, War Savings Stamps, Liberty Bonds, and so forth. Aliens are urged to go to these bureaus for advice and assistance. Cleveland is only one of the cities which have taken hold of this problem in an intelligent manner. The Detroit Board of Commerce is endeavoring to have a similar plan adopted for the entire state of Michigan. The Americanization Committee of the Chamber of Commerce of the United States is also active. The teaching of English holds a high place in all these programmes. We should not, however, make a fetish of that. The man who is an American at heart will learn English in good time. The thing of immediate importance is to make an American of the alien, and that can be done as well, better perhaps, in his own language than in ours. "The Stars and Stripes Forever" is as noble a sentiment in modern Greek or Armenian as in English.

Women and War Labor

EMPLOYMENT of females in Great Britain since the beginning of the war shows a net increase of 1,059,000, or about 40 per cent of those employed in July, 1914. These figures do not include 38,000 full-time workers engaged in military, naval and Red Cross hospitals. Nor does it account for 400,000 women from small workshops and in domestic service who, if added, raise the number to 1,421,000.

When the war broke out there were 210,000 women employed in the metal and chemical trades, which cover most of the munition trades, and 1,974,000 employed on other industries. The first effects of the war are significant: in six months only 4000 had been added to those employed in making munitions, while 81,000 had been discharged from other industries. A year later, July, 1915, 43,000 had joined the munition group, and at six months intervals the figures show startling increases. In December, 1915, 106,000; July, 1916, 230,000; January, 1917, 315,000; and July, 1917, 400,000 women had been added to the munition trades, or 200 %. On the other hand, the number employed in other industries has remained almost steady; after three years of war the increase in all other industries has been only 112,000, or 6%.

Here is a table which shows the expansion by trades and the extent to which women and girls are directly replacing men:

Here is a Table Which Shows the Expansion by Trades and the Extent to Which Women and Girls Are Directly Replacing Men:

Occupation.	Estimated Number of Females employed July, 1914.	Increase in the Employment of Females since July, 1914.		Direct Replacement of Men by Women.	
		Numbers.	Percentage of those employed in July, 1914.	Numbers.	Percentage of those employed in July, 1914.
Industries	2,184,000	518,000	23.7	464,000	21.2
Government Establishments	2,000	202,000	9,596.7	191,000	9,120.0
Gas, Water and Electricity (under Local Authorities)	600	4,000	635.3	4,000	600.0
Agriculture in Great Britain (Permanent Labour)	80,000	23,000	28.7	43,000	53.4
Transport (excluding Tramways under Local Authorities)	17,000	72,000	422.0	74,000	437.8
Tramways (under Local Authorities)	1,200	16,000	1,372.0	16,000	1,330.0
Finance and Banking	9,500	54,000	570.5	53,000	555.6
Commerce	496,000	324,000	65.4	328,000	66.0
Professions	67,500	20,000	30.2	21,000	31.2
Hotels, Public Houses, Cinemas, Theatres, &c.	176,000	22,000	12.5	38,000	21.4
Civil Service, Post Office	60,500	45,000	74.3	51,000	84.3
Civil Service (other than Post Office)	4,500	53,000	1,178.0	48,000	1,067.0
Services under Local Authorities (other than Tramways)	196,200	29,000	14.6	23,000	11.8
Total	3,295,000	1,382,000	41.9	1,354,000	41.1
Agriculture in Great Britain (Casual Labor)	50,000	39,000	77.0	38,000	75.5
Total (including Casual Labor in Agriculture)	3,345,000	1,421,000	42.5	1,392,000	41.6

Congress Settles into the Harness Again

The Long Session Gets a Spectacular Start with a Declaration of War on Austria. Followed by Such Urgent Matters as Railroad Control, War Funds, Housing and Prohibition.

SINCE Congress reassembled on December 3 for the "long" session—which may run well through the year 1918—the initiative in legislation enacted up to the time of adjournment for the Christmas recess on December 18 has lain with the Senate. Several measures which had passed the House in earlier Congresses only to fail through opposition or lack of action in the Senate were taken up, passed and sent to the House where action upon them is assured.

We Acquire Another Enemy

ON December 4, in his message to Congress, the President asked that war be declared against the Austro-Hungarian government. Joint resolutions were at once introduced in both Houses and reported with little delay.




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On December 7 the Senate measure was passed by both Houses and signed by the President on the same day. The remaining allies of Germany,—Bulgaria and Turkey—may be dealt with in a similar manner at a later date if it becomes advisable to do so.

The Great American R. R. System

GOVERNMENT operation of railroads is now an accomplished fact. On December 26, the President by proclamation announced that, effective December 28, the government would take over and assume control of the operation of the railroads of the United States. Authority to take this step was provided in the Army Appropriation Act of August 29, 1916.

On January 4, 1917, the President appeared before Congress to inform that body of his action and to ask that the necessary legislation be enacted to provide for the operation of the railroads by the government. Bills were at once introduced by the chairmen of the Senate and House Committees on Interstate Commerce and on January 7 the Chairman of the House Committee set hearings on the House bill for January 8.

The measure now before Congress provides (1) for compensation to the roads for the use of their properties by the government on the basis of a "standard return" according to the average net operating income for the three-year period ending June 30, 1917, (2) for maintenance of properties through allowance under the head of operating expenses or through a special reserve fund, with reciprocal allowance to the carrier or the government of a fair return upon sums advanced for additions or improvements to railroad properties, (3) for control by the President of the issue securities necessary to meet maturing of obligations, necessary financing incident to reorganizations and other necessary expenditures, (4) for the payment of dividends at not to exceed the rate which obtained during the three-year period, and for the payment of dividends upon order of the President in cases where a regular dividend has not been paid or earned during that period. (5) for an appropriation of $500,000,000 for the purposes of the bill. The control proposed is to continue for the duration of the war and "until Congress shall thereafter order otherwise." If found necessary by the President it may be extended to any or all systems of transportation, for example, interurban and street railways, ferries, etc.

Roofs for Shipbuilders

HOUSING of men engaged on government work at shipyards has for some time engaged the attention of officials of the government. On January 5 proposals under consideration took concrete form in bills introduced by the Chairman of the Senate Committee on Commerce. One of these measures proposes that $50,000,000 be provided for the purpose of acquiring sites and furnishing suitable quarters for workmen engaged on government shipbuilding contracts. Another bill proposes that the powers granted to the President in the deficiency appropriation act of June 15, 1917, to commandeer plants, material and supplies for use in connection with the shipbuilding programme be extended to include the right to commandeer street car lines, both municipal and interurban, ferry boats and railroads, to be used in transporting ship workers on government contracts to and from their work.

Guarding the Fighting Man's Legal Rights

LEGISLATION for the protection of persons serving with the armed forces of the United States in the enjoyment of their civil rights, which in many instances are placed in jeopardy through their inability to appear in court and defend themselves, will undoubtedly be enacted by Congress during the present session.

Following the declaration of war against Germany the office of the Judge Advocate General of the Army undertook to provide means whereby persons volunteering or called into service in the army and navy might be freed from embarrassment by creditors who seek to take advantage of their absence to press claims against them to judgment, and to protect them from financial loss arising from untimely foreclosure of equities in undertakings and obligations assumed in good faith prior to the change in their status from civil life to that which they assume under the military establishment.

During the month of September bills were introduced in the House and Senate and considered by the respective committees on the Judiciary. The House bill (H. R. 6361) was reported from committee on October 2 and passed by the House on October 4. The Senate bill (S. 2859) was the subject of hearings before the Senate Committee on the Judiciary but was not acted upon before the first session came to a close on October 6. The bill passed by the House has now been referred to the Senate Committee which may decide to report it in place of the bill first considered by it.

In general terms these bills propose to provide for a stay of proceedings against defendants who through military service are unable to appear personally in court and defend civil actions brought against them. Where a judgment is secured against such a person he may, under certain conditions, within 90 days after the termination of his military service have the case reopened, the judgment set aside and the case tried on its merits. Likewise, the running of the statute of limitations either for or against such persons would be suspended during their period of military service.

Relief is also provided for particular actions, such as eviction for non-payment of rent. In such cases a stay of proceedings for not longer than three months may be secured in the discretion of the court. As to instalment contracts, too, a debtor might not be summarily deprived of payments already made through failure to continue his instalments except upon order of the court and a full consideration of all of the facts in the case. The creditor in such cases might also be required to return money already paid as a condition to regaining possession of his property. As to mortgage transactions the interests of all the parties would be carefully guarded by the courts and where necessary the interests of a mortgagor might be protected by an order staying foreclosure proceedings. Only in exceptional circumstances would sales under power of attorney from a debtor to a creditor to confess judgment be allowed.

Tax sales might be stayed for as long as six months following the close of the war in order to permit persons in the military service to meet taxes on property owned by them, the amount due earning six per cent interest meanwhile. Where property is sold for non-payment of taxes the statutory period allowed the owner to redeem his property would be extended for a period ending six months after the completion of his military service. Provision is also made to protect the interest of persons serving in the armed forces in homestead, mining and other claims on the public lands.

Provisions such as the above are not altogether new, many of the states having passed such statutes during the civil war. Similar laws have been enacted by the states of Iowa, Maine, Maryland, Massachusetts, Oregon and Wisconsin since the beginning of the present war.

Another section of the bill provides a plan whereby the government undertakes to carry temporarily insurance policies in force at the time of enlistment held by its soldiers and sailors during their period of service. Premiums which such persons are unable to meet will be paid by the government to the company writing the policy, the payment being secured by the deposit of government bonds. At the close of the war policies thus carried by the government will be adjusted with the several companies and a settlement made as to premiums, losses through death, lapse, etc. This feature of the bill should not be confused with the war-risk insurance written by the government for the protection of its soldiers and sailors and provided in the Act of October 6, 1917.

J. Barleycorn Loses Another Trench

THE states are now asked to pass upon the question of national prohibition through an amendment to the constitution which will forbid the manufacture, sale, transportation or importation of intoxicating liquors for beverage purposes. On August 1, 1917, the Senate passed a joint resolution providing for the submission of such an amendment to the states. On December 17 the House devoted a day to consideration of this resolution, passing it by a vote of 282 to 128, with slight amendments. On December 18 the Senate agreed to the amendments made by the House thus completing the legislative formalities necessary for the submission of the amendment; measures of this kind do not require the approval of the President.

The states are allowed a period of seven years within which to accept or reject the amendment, which becomes effective one year after its adoption by three-fourths or thirty-six of the states. At present there are 25 states having laws forbidding the sale of liquor; four more states become prohibition during 1918, and 10 states permit the sale of liquor in part of their territory under "local option" laws.

The lawyers have two questions about the form in which Congress took action. In the first place some of them doubt the ability of Congress to tell the States that they have only a specified time,—seven years, in this instance,—whithin which they can ratify the proposed amendment. Other lawyers insist that all submissions of amendments should have such a limitation, since otherwise proposals for amendments might be pending for an indefinite period and by the action of a state or two be put into effect long after they had been originally considered and at a time when the situation had greatly changed.

Some lawyers also find difficulty in the provision of the proposed amendment to the effect that the States are to have concurrent jurisdiction with the federal government to enact legislation to enforce federal prohibition of manufacture, sale, or transportation of intoxicants. In some quarters it is contended that such an amendment of the Constitution would impair the principle of sovereignty in the federal government with respect to the subjects about which it can properly take action.

(Continued on page 42)



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WHO HAS THE SHIP CONTRACTS?

THAT is a live query in many an office and factory. On it hangs the question of whether there is anything a nearby plant can furnish that will hurry the vitally urgent shipping programme. THE NATION'S BUSINESS is fortunate in being able to offer its readers this classified list of concerns that have received orders from the Emergency Fleet Corporation.

Steel Ships

THE data on 557 steel ships, of 3,914,200 tons, show that their total cost will be $651,627,046, or an average price of $166.48 a ton. Here is how the contracts are apportioned:

Merrill Stevens Company, Jacksonville, Fla., four ships, totaling 24,000 tons, to cost $3,864,000, or $161 a ton.

The Los Angeles Shipbuilding Company, San Pedro, Cal., eight ships, 70,400 tons, cost $10,-883,840, or $154.60 a ton.

Skinner and Eddy Corporation, Seattle, Wash., six ships, 52,800 tons, costing $8,400,000, or $159.09 a ton.

Seattle Construction and Dry Dock Company, Seattle, Wash., ten ships, totaling 75,000 tons, costing $13,125,000, or $175 a ton.

Moore and Scott Iron Works, San Francisco, Cal., ten ships of 94,000 tons, costing $15,022,310, or $159.81 a ton.

Baltimore Shipbuilding Company, Baltimore, Md., eight ships, 70,400 tons, costing $11,123,200, or $158 a ton.

Downey Shipbuilding Company, 120 Broadway, New York, ten ships, 73,000 tons, costing $11,-625,000, or $125 a ton.

Sun Shipbuilding Company, Philadelphia, Pa., four ships, 40,000 tons, costing $5,684,000, or $142.10 a ton.

Western Pipe and Steel Company, San Francisco, Cal., eight ships, 70,400 tons, costing $10,824,000, or $153.75 a ton.

Groton Iron Works, Groton, Conn., six ships, 32,800 tons, costing $8,184,000, or $155 a ton.

Saginaw Shipbuilding Company, Saginaw, Mich., six ships, 21,000 tons, costing $3,360,000, or $160 a ton.

California Shipbuilding Company, Longbeach, Cal., three ships, 18,000 tons, costing $2,728,320, or $151.41 a ton.

American International Corporation, Philadelphia, Pa., 50 ships, 375,000 tons, costing $57,750,000, or $154 a ton.

American International Corporation, 70 ships, 560,000 tons, costing $115,500,000, or $206.25 a ton.

Submarine Boat Corporation, 5 Nassau St., New York, 50 ships, 250,000 tons, costing $39,375,000, or $157.50 a ton.

Submarine Boat Corporation, 100 ships, 500,000 tons, costing $75,600,000, or $151.20 a ton.

Merchant Shipbuilding Corporation, 165 Broadway, New York, 40 ships, 360,000 tons, costing $54,756,320, or $152.13 a ton.

In the case of the last five named, the Emergency Fleet Corporation has extended financial aid in expanding yards.

Newburg Shipyard, Newburg, New York, four ships, 36,000 tons, $6,177,000, or $171.60 a ton.

Los Angeles Shipbuilding Company, San Pedro, Cal., ten ships, 88,000 tons, costing $15,136,000, or $172 a ton.

Jalencke Shipbuilding Company, New Orleans, La., six ships, 30,000 tons, costing $4,950,000, or $165 a ton.

Hampton Roads Dry Dock and Shipbuilding Company, Norfolk, Va., four ships, 29,200 tons, costing $4,818,000, or $164.68 a ton.

Federal Shipbuilding Co., 14 Dey St., New York, ten ships, 96,000 tons, $13,500,000, or $161.46 a ton.

Oscar Daniels Co., Woolworth Bldg., New York, ten ships, 95,000 tons, $15,349,000, or $163 a ton.

Erickson Engineering Company, Hanover National Bank Bldg., New York, ten ships, 94,000 tons, costing $15,980,000, or $170 a ton.

Bayles Shipyard, 115 Broadway, New York, four ships, 20,000 tons, costing $3,300,000, or $165 a ton.

Patterson-McDonald Company, Seattle, Wash., eight ships, 70,000 tons, costing $11,968,000, or $170 a ton.

American Shipbuilding Company, Cleveland, Ohio, six ships, 21,300 tons, costing $4,235,000, or $198.84 a ton.

Same company, thirty-four ships, 120,700 tons, costing $24,820,000, or $205.63 a ton.

Southern Shipbuilding Company, Charleston, S. C., sixteen ships, 120,000 tons, $19,440,000, or $162 a ton.

Pacific Coast Shipbuilding, San Francisco, Cal., ten ships, 94,000 tons, $15,792,000 or $168 a ton.

Pensacola Shipbuilding Co., Pensacola, Fla., ten ships, 90,000 tons, $14,580,000, or $162 a ton.

Groton Iron Works, Groton, Conn., twelve ships, 112,800 tons, $18,048,000, or $160 a ton.

Atlantic Corporation, Portsmouth, N. H., ten ships, 88,000 tons, $14,080,000, or $160 a ton.

Composite Ships

FIFTY-EIGHT composite ships, which are steel-framed with wooden covering were contracted for with the following:

The Merrill Stevens Company, Jacksonville, Fla., is building 12 ships total tonnage 42,000., total cost, $5,712,000, or $136 per deadweight ton.

The Terry Shipbuilding Corporation, Savannah Ga., has 20 ships, 70,000 tons, costing $9,520,000, or $136 a ton.

Supple & Ballin, Portland, Ore., have eight ships, 32,000 tons, costing $4,400,000, or $137.50 a ton.

Kelly Atkinson Construction Company, Chicago, Ill., 18 ships, 63,000 tons, costing $8,100,000, or $128.57 a ton.

The total fifty-eight ships, will give 207,000 tons at a cost of $27,732,000, or an average of $133.97 a ton.

Wooden Ship Contracts

SIXTY-FIVE wooden ships are contracted for with concerns which furnish their own machinery. These ships will total 243,900 tons, at a total cost of $34,-070,000, or an average per ton cost of $139.69. The complete data on them follows:

G. M. Standifer Corporation, Portland, Oregon, ten ships, 35,000 tons, $5,000,000, or $142.86 a ton.

Peninsula Shipbuilding Company, Portland, Oregon, four ships, 16,000 tons, $2,600,000, or $125 a ton.

Skuse Shipyard, Seattle, Wash., sixteen ships, 56,000 tons, $7,840,000, or $140 a ton.

Taylor Manufacturing Co., Allentown, Pa., ten ships, 35,000 tons, $5,000,000, or $142.86 a ton.

Lake and Ocean Navigation Company, Chicago, Ill., one ship, 3,500 tons, $450,000, or $128.56 a ton.

National Shipbuilding Company, 120 Broadway, New York, twelve ships, 56,400 tons, $7,560,000, or $134.40 a ton.

Grant-Smith-Porter-Guthrie Company, Portland, Oregon, four ships, 14,000 tons, $2,220,000, or $158.57 a ton.

Hulls Without Machinery

WOODEN ships to the total number of 298, of a tonnage of 1,045,000, and costing $88,691,000, or an average of $84.87 a ton, come under that class for which the Fleet Corporation is obligated to furnish the machinery. The data furnished by Mr. Hurley on these contracts follows:

McEachern Ship Company, Portland, Oregon, ten ships, 35,000 tons, $2,800,000, or $80 a ton.

Hammond Lumber Company, San Francisco, Cal., two ships, 7,000 tons, $600,000, or $85.71 a ton.

Heidenfels Brothers, Beeville, Texas, four ships, 14,000 tons, $1,200,000, or $85.71 a ton.

Bantder Shipbuilding Company, Moss Point, Miss., six ships, 21,000 tons, $1,800,000, or $85.71 a ton.

Grays Harbor Corporation, Aberdeen, Wash., four ships, 16,000 tons, $1,260,000, or $79.75 a ton.

Coast Shipbuilding Company, Portland, Oregon, four ships, 14,000 tons, $1,200,000, or $85.71 a ton.

Sanderson & Porter, 52 William Street, N. Y., ten ships, 35,000 tons, $3,000,000, or $85.71 a ton.

Maryland Shipbuilding Co., Baltimore, Md., six ships, 21,000 tons, $2,100,000, or $100 a ton.



Foundation Company, Woolworth Building, New York, ten ships, 35,000 tons, $3,000,000, or $85.71 a ton.

Groton Iron Works, Groton, Conn., twelve ships, 42,000 tons, $3,600,000.

Ship Construction and Trading Company, 30 Broadway, New York, two ships, 7,000 tons, $600,000.

Hillyer Sperring Dunn Co., Jacksonville, Fla., four ships, 14,000 tons, $1,200,000, or $85.71 a ton.

Portland Ship Company, Portland, Maine, four ships, 14,000 tons, $1,200,000, or $85.71 a ton.

Universal Shipbuilding Company, Houston, Texas, twelve ships, 42,000 tons, $3,600,000, or $85.71 a ton.

McBridge & Law, Beaumont, Texas, four ships 14,000 tons, $1,200,000, or $85.71 a ton.

American Shipbuilding Company, 11 Broadway, New York, four ships, 14,000 tons, $1,200,000, or $85.71 a ton.

Tampa Dock Company, Tampa, Fla., four ships, 14,000 tons, $1,200,000, or $85.75 a ton.

Union Bridge and Construction Company, Morgan City, La., six ships, 21,000 tons.

Gildersleeve Construction Company, Gildersleeve, Conn., two ships, 7,000 tons, $600,000, or $85.71 a ton.

Lone Star Shipbuilding Company, 111 Broadway, New York, eight ships, 28,000 tons, $2,400,000, or $85.71 a ton.

Johnson Shipyard Co., Shooters Island, N. Y., three ships, 10,500 tons, $900,000, or $85.71 a ton.

Henry Smith & Sons, Baltimore, Md., eight ships, 28,000 tons, $2,400,000, or $85.71 a ton.

Potomac Shipbuilding Company, Colorado Bldg., Washington, D. C., seven ships, 24,500 tons, $2,100,000, or $85.71 a ton.

J. N. McCammon, Houston, Texas, two ships, 7000 tons, $600,000, or $85.71 a ton.

Hammond Lumber Company, San Francisco Cal., two ships, 7000 tons, $580,000, or $82.86 a ton.

Alabama Shipbuilding Company, Mobile, Ala., two ships, 7000 tons, $600,000.

Murnan Shipbuilding Company, Phila., Pa., four ships, 14,000 tons, $1,140,000, or $81.43 a ton.

George A. Gilchrist, Thomaston, Maine, one ship, 3500 tons, $300,000.

Hodge Ship Company, Moss Point, Miss., four ships 14,000 tons, $1,200,000.

Southern Shipbuilding Company, Orange, Texas, five ships, 17,500 tons, $1,500,000.

J. M. Murdock, Houston, Texas, two ships, 7000 tons, $600,000.

Midland Bridge Company, Morehead City, N. C., six ships, 21,000 tons, $1,800,000.

North Carolina Shipbuilding Company, Morehead City, N. C., two ships, 7000 tons, $600,000.

Merry & Thomas, Jacksonville, Fla., four ships, 14,000 tons, $1,200,000.

Cumberland Shipbuilding Company, Portland, Maine, nine ships, 31,500 tons, $2,700,000.

L. H. Shattuck, Manchester, N. H., 18 ships, 63,000 tons, $5,220,000, or $82.86 a ton.

York River Shipbuilding Company, West Point, Va., eight ships, 28,000 tons, $2,396,000.

Kruse & Banks, North Bend, Oregon, six ships, 21,000 tons, $1,740,000.

Fulton Shipbuilding Company, Los Angeles, Cal., four ships, 14,000 tons, $1,150,000.

Freeport Shipbuilding Company, Freeport, Maine, one ship, 3,500 tons, $300,000.

Sommarston Shipbuilding Company, San Francisco, Cal., four ships, 14,000 tons, $1,200,000.

Kelley Spear Company, Bath, Maine, one ship, 3500 tons, $300,000.

Meacham & Babcock, Seattle, Wash., two ships, 7000 tons, $580,000.

Wilson Shipbuilding Company, Astoria, Oregon, three ships, 10,500 tons, $900,000.

Beaumont Company, Beaumont, Texas, four ships, 14,000 tons, $1,120,000.

Coos Bay Shipbuilding Company, Marshfield, Oregon, four ships, 14,000 tons, $1,120,000.

Housatonic Company, Stratford, Conn., ten ships, 35,000 tons, $2,775,000.

Nilson & Keler, Seattle, Wash., four ships, 14,000 tons, $1,200,000.

George F. Rodgers Company, Astoria, Oregon, four ships, 14,000 tons, $1,200,000.

Seaborn Shipbuilding Company, Seattle, Wash., eight ships, 28,000 tons, $2,400,000.

St. Helen Shipbuilding Company, San Francisco, Cal., two ships, 7000 tons, $600,000.

Benicia Shipbuilding Company, San Francisco, Cal., two ships, 7000 tons, $600,000.

Wright Shipyards, Tacoma, Wash., two ships, 7000 tons, $600,000.

Feeny & Bremer, Tillamook, Oregon, one ship, 3500 tons, $300,000.

Tacoma Shipbuilding Company, Tacoma, Wash., four ships, 14,000 tons, $1,200,000.

Newcomb Lifeboat Company, Hampton, Va., four ships, 14,000 tons, $1,200,000.

Grant-Porter-Smith-Guthrie Company, Portland, Oregon, twelve ships, 42,000 tons, $3,600,000.





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Congress Settles Into the Harness Again

(*Continued from page 36*)

Power From Our Waterfalls

WATER power legislation which will provide for the improvement of navigable streams under the jurisdiction of Congress by means of private capital and their development for the production of electric power is now being considered by the House Committee on Interstate and Foreign Commerce. Proposals of this nature are not new, having been urged before earlier Congresses for a number of years. During the Sixty-fourth Congress a bill was passed by the Senate providing for the erection of power dams on navigable streams under permit from the Secretary of War, the bill containing a general grant of authority for that purpose. The House Committee, which considered the bill, reported a substitute measure which it passed on July 14, 1916. Conferees from the House and Senate after numerous conferences were unable to reach an agreement as to the final form this legislation should take and the bill consequently lapsed.

The importance of this legislation was again suggested to Congress by the President in his address on December 4 with the result that the Senate, on December 14, again passed a bill substantially similar to the one passed the year before. The Chairman of the House Committee on Interstate and Foreign Commerce has announced that his committee proposes to consider the measure without delay and to expedite its passage through the House. It is not unlikely, however, that one of the points on which the conferees on the earlier bill were unable to agree may again prove a ground of irreconciliable difference should the House insist upon reserving to Congress the right to pass upon applications for the erection of power dams and other navigation structures rather than to permit such applications to be acted upon by the Secretary of War under the general grant of authority provided in the Senate bill. The form in which the House will be asked to pass upon these proposals has not yet been announced.

The development of water powers on the public lands is provided for in bills now before committees of the Senate and House. (S. 2399 and H. R. 7227.) The formation of a joint committee of the House to consider bills on the subject of water power may be urged as a means of expediting this legislation.

Developing the Public Lands

ON December 14, after passing the water power bill, the Senate took up a measure providing for the development of deposits of coal, oil, gas, phosphate and sodium on the public lands under a system of leases through the Secretary of the Interior. Debate on this measure continued until December 18 when an agreement was reached to vote on the bill on January 7. Bills of a similar nature have been urged in earlier Congresses. During the Sixty-fourth Congress the House, on January 15, 1916, passed a land-leasing bill which was reported to the Senate on March 31, 1916, but failed to become law before the close of the Congress. In this bill provision was made, too, for the development of potash deposits which have since been dealt with in a law enacted on October 2, 1917.

In its consideration of the bill, and in order to facilitate its passage, the Senate decided to make no attempt to include within its provisions lands containing oil and reserved for the use of the navy. Such lands are to be dealt with separately in a bill to be introduced later in the session and handled through the Senate Committee on Naval Affairs.

Trained Officers for the Navy

THE need for a large supply of trained officers to man the vessels of the navy became apparent soon after the declaration of war. In some branches of the service, such as paymasters, dentists, doctors, civil engineers, etc., this shortage could be met in part by appointments from civil life. To fill the requirements of the line, however,—the navigating, executive and engineer officers,—these sources of supply proved inadequate since the training of officers in seamanship and the duties of command is of necessity lengthy and highly technical. Congress at once undertook to deal with this situation by temporarily increasing the allotment of appointments to cadetships at the Naval Academy allowed to each Senator, Representative and Delegate in Congress from three to four, this increase to continue until September 1, 1918. The additional midshipmen thus provided for will be eligible to take the entrance examination early in 1918 and to enter the naval academy in July of that year.

On November 26, 1917, the Secretary of the Navy again called the attention of Congress to the shortage of trained officers for the Navy and recommended that this situation be remedied by increasing permanently the quota of appointments allowed to members of Congress from three to five. This recommendation has been embodied in a bill which passed the House on December 17, the Senate on December 18 and has since become law.

The naval appropriation Act approved March 4, 1917, authorized the President in his discretion to graduate classes from the Naval Academy upon the completion of a three-year course. This authority is continued for two years. Under this provision one class was graduated from the Naval Academy in March and another in June of 1917. The class which will graduate in June, 1918, will be the last which may be graduated under this provision of the law.

The Secretary of the Navy, on December 27, 1917, in calling the attention of Congress to this condition, recommended that authority to graduate classes upon the completion of a three-year course be continued and that such legislation be enacted in time to provide for the necessary changes in the curriculum at the Naval Academy to care for the midshipmen who will enter this year. A bill for this purpose may soon be reported from the Committee on Naval Affairs.

Congress Taxes Congressmen

SINCE the enactment of the revenue law on October 3, 1917, one of the questions which has arisen in connection with Title II,—which provides a tax on war excess profits—has received attention at the hands of Congress. This portion of the law makes taxable, among other things, the compensation received by individuals engaged in business, trades and professions as war excess profits.

Under one section of the law compensation received by officers and employees of the United States are exempted from this tax. It was in connection with this section of the law that a question arose as to whether salaries of members of Congress come within the scope of the exemption. Shortly after the session opened in December a number of bills were introduced in both the Senate and the House proposing to amend the law in such a way as to remove any doubt as to the intent of Congress as to the application of the excess profits tax to salaries of its members. The

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Ways and Means Committee of the House after considering the question, on December 17 reported a bill by its Chairman amending the statute in such a way as to make the compensation received by members of Congress subject to the tax. This measure passed the House on December 18 without a single member being recorded against its passage.

Wanted—Seven Billion Dollars

APPROPRIATION bills begin to make their appearance in the House early in January. Since the opening of the session the House Committee on Appropriations through various subcommittees has been engaged in consideration of the estimates submitted to Congress by the Secretary of the Treasury early in December. For the year ending June 30, 1919, it is estimated that the government will be called upon to disburse over $12,000,000,000. The largest appropriations of course will be for the military and naval establishments, although the estimates for the latter indicate a slight reduction as compared with the amounts provided for the year ending June 30, 1918.

Thus, for the year ending June 30, 1919, naval estimates now in hand call for slightly more than one billion dollars, of which $833,000,000 is for the naval establishment proper, and $212,000,000 to meet the requirements of the building programme. For the military establishment, increased appropriations in all branches are indicated, but mainly in connection with the army,—its equipment, and for heavy artillery. For these purposes there was appropriated for expenditures until June 30, 1918, the sums of $5,234,000,000 and $2,177,542,000, respectively. For the year ending June 30, 1919, it is estimated that $6,609,000,000 and $3,332,000,000 will be required. The needs of the Shipping Board, too, will amount to nearly $900,000,000. These amounts may be still further increased by deficiency appropriations, some of which are already being considered by the committees of the House.

Against these expenditures the receipts for the fiscal year 1919, on the basis of existing laws, are estimated by the Secretary of the Treasury at slightly more than $5,000,000,000, leaving a trifle of $7,000,000,000 to be raised by the issue of bonds or new revenue legislation.

Yet the Farmers Need Money!

EARLY in December the attention of Congress was directed to a situation which had arisen in connection with the operation of the Farm Loan Board, authorized under the Act of July 17, 1916. Created for the purpose of providing capital for agricultural development and establishing a standard form of investment based upon farm mortgages, the Board had proceeded with the work of organizing the twelve federal land banks authorized in the statute referred to above. By November, 1917, loans had been made to farmers through local farm loan associations against which bonds had been issued to the extent of about $30,000,000. These loans bore interest at 5%, the bonds being at 4½. Other loans amounting to approximately $70,000,000 had been approved by the Federal land banks, subject to the usual formalities such as investigation of title, appraisal of property, etc. On November 30, 1917, there were also additional loan applications pending for nearly $65,000,000. Since that date the volume of applications for loans has appreciably increased.

To meet the situation created by the absorption of investment capital through large offerings of government bonds under the first and second Liberty Loans it was proposed to have the government furnish the necessary credit to meet the engagements already approved by the farm land banks. This has been done by a bill, introduced in both Houses about the middle of December, authorizing the Secretary of the Treasury to purchase from the Federal land banks not to exceed $100,000,000 of farm loan bonds before June 30, 1918, and a similar amount during the fiscal year ending June 30, 1919.

This measure, although amended by the Senate when passed by it on December 18, passed the House as reported from committee. The conferees have agreed to submit for the final approval of both Houses the bill passed by the House. Their report to the Senate was submitted on January 9.

Enter—Railroad Control

(*Continued from page 16*)

the depletion of earnings. The Act to Regulate Commerce destroyed these pools. The railways then formed traffic associations to restrict competition. The Supreme Court held these in violation of the Sherman anti-trust law. The railways tried again to reduce competition, this time by forming mergers of parallel lines. At about the time the largest of these mergers were being formed Congress passed the Hepburn act, and later the Mann-Elkins act, taking the rate-making power from the railways, and leaving them no means of competition except solicitation and service. Nevertheless, the Department of Justice started numerous proceedings under the Sherman law against these mergers and obtained decisions which directly or indirectly destroyed most of them, the conspicuous examples being the Northern Securities Company, the Harriman combination and the New Haven combination in New England. Even now some important suits to destroy railroad combinations are pending.

Obviously, the railways could not compete with each other and at the same time operate as a single system. In the emergency of war, they undertook, under the Railroads' War Board, to eliminate competition and operate as a single system as far as they dared without attracting undesirable attention from the Department of Justice. Soon, however, there began to be heard complaints—not that they were eliminating competition in disregard of the law—but that they were not operating with the greatest possible efficiency because they had not entirely eliminated competition! The government, by legislation and court decrees had been trying for 30 years to compel the railways to compete; it had not, even in the emergency of war, suspended or modified the laws designed to enforce competition; and yet now it was unblushingly complained—in some instances even by men holding government offices—that the railways had not eliminated the last vestiges of competition; and, in consequence, it was argued, the government itself would have to take control of operation!

THE Interstate Commerce Commission saw how illogical and unfair all this was; and, therefore, said in its special report to Congress on December 5, "if the unification (of railway lines) is to be effected by the carriers they should be enabled to effect it in a lawful way by the suspension during the period of the war of the operation of the anti-trust laws, except in respect to consolidations and mergers, and of the anti-pooling provision of the commerce act."

President Wilson also recognized the fact that restrictive laws had denied the railways an opportunity to operate with maximum efficiency, for in the statement which he issued on December 28, in taking control of operation for the government, he said:

"Complete unity of administration in the present circumstances involves upon occasion and at many points a serious dislocation of earnings and the committee (the Railroads' War Board) was, of course, without power or authority to rearrange the charges or effect proper compensation and adjustments of earnings."

In addition to being hampered by laws designed to enforce competition, the Railroads' War Board was hampered by inability to increase minimum carload weights or demurrage rates without governmental sanction; but these difficulties were reduced to a minimum by the voluntary and generous cooperation of thousands of shippers in loading cars to capacity and in loading and unloading them as promptly as possible.

The railways also received the closest cooperation from the War Department in the transportation of troops and of materials for the cantonments. But there was gross abuse by innumerable government representatives of orders for preference in the movement of freight. When the congestion on the eastern lines became severe from 66 to 80 per cent of the freight on some lines was moving under preference orders. The attempt of government representatives to secure preference for so much freight defeated its own purpose and produced demoralization.

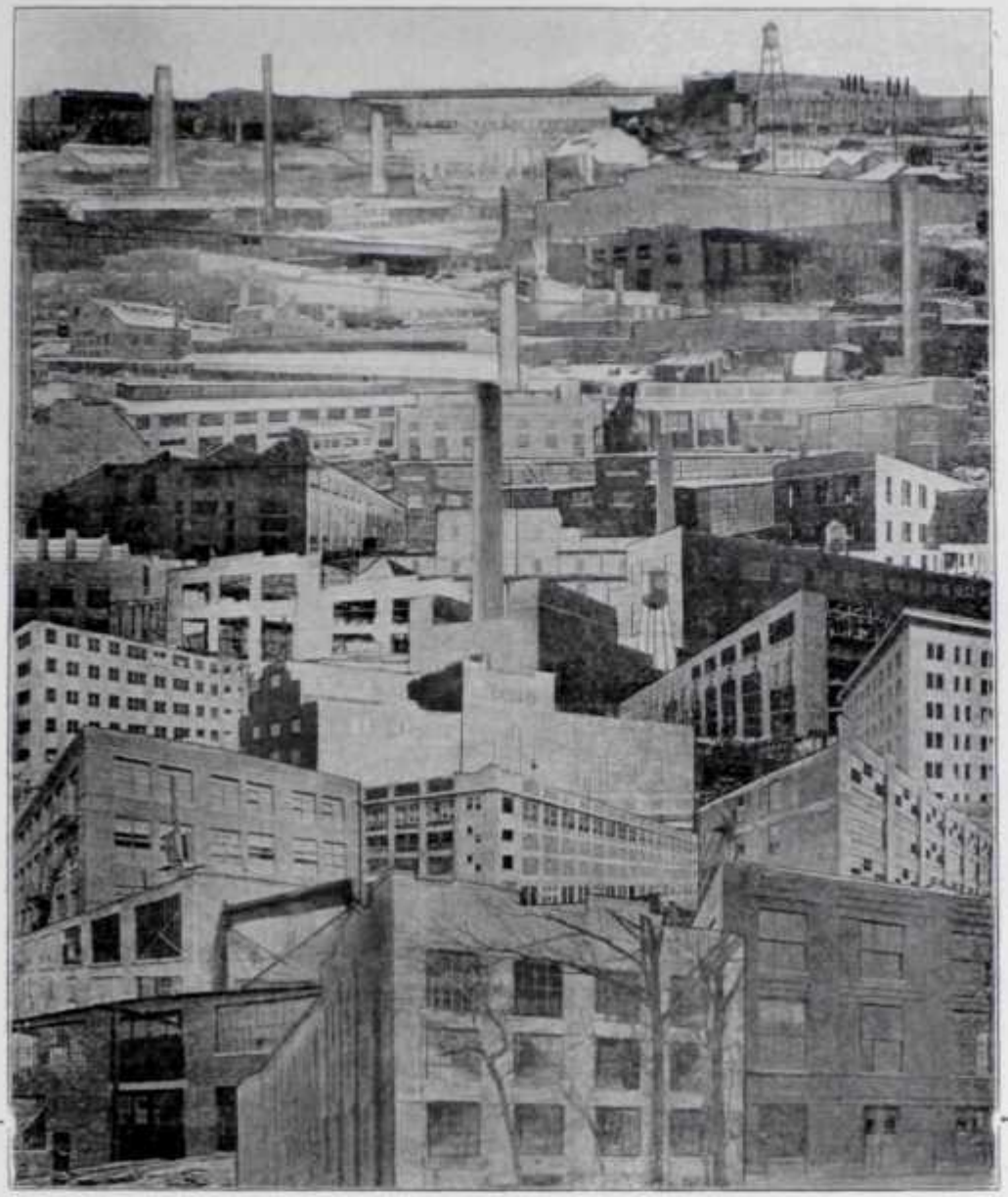
Since the inability of the railways to operate with the maximum possible efficiency was due mainly to restrictions and burdens imposed by the government, it seemed to many that the best way to solve the problem presented would be for the government to remove these restrictions and burdens. But the problem had another important phase. Some railways, especially certain of the eastern lines, were feeling dire need of new capital. The immense financial transactions of the government had closed the market to railroad securities. To enable the companies to get new capital it would be necessary to reinforce their credit with that of the government or to loan them money from the public treasury. There was a strong belief, official and unofficial, in Washington that Congress would not suspend restrictive laws or give the railways financial aid while they were privately managed. The old system of private management subject to public regulation was regarded as unequal to the occasion, and the adoption of government control was the result.

The Railroad's Pay Envelope

THE management of the railroads under the new system of control will be interesting from two standpoints, the financial and the operating.

The President has recommended that the average annual net operating income of the three years ended June 30, 1917, be taken as a basis in fixing the guarantees of return to be made to the companies for the period of the war. Operating income in these three years was as follows: 1915, $728,212,000; 1916, $1,043,840,000; 1917, $1,050,000,000—an average of $940,700,000. The percentages of return on book cost of road and equipment were as follows: 1915, 4.09; 1916, 5.8; 1917, 5.72;—making an average of 5.2 per cent. Some objections to this basis of compensation have been raised but it is believed that in the end the President's recommendation will prevail.

In appointing Secretary of the Treasury McAdoo as Director General of Railroads, President Wilson has placed at their head



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one of the ablest men in the government. While Mr. McAdoo accepted the resignation of the members of the War Board, he has retained the organization ramifying throughout the country which it built up, and has placed in charge of it a former member of the War Board, Hale Holden, president of the Burlington. He will have most of the advantages and few of the disadvantages in directing the operation of the railways which the Railroads' War Board had. His temporary advisory council is composed of leading railroad managers; he has command of all the railroad talent and experience in the country; and indications are that he will receive the loyal and patriotic support of railway officers.

He can control government priority and preference orders; and one of the first things he did was to set all of them aside in eastern territory. He need not consider the financial effect on any railway of anything he does, as the returns of all companies will be guaranteed; he is not subject to the restrictions imposed upon the railway managements by national or state regulating laws; and he can, therefore, route traffic by the most open lines and gateways, increase minimum carload weights, increase demurrage rates and make unlimited changes in train service. He can increase facilities, for he can set aside all regulations which have prevented the railways from getting equipment and supplies, and he can use the credit of the government to get new capital. If the facilities continue to prove inadequate he can order that less essential commodities cease to be transported.

While Mr. McAdoo will have these advantages, he will have some disadvantages. The morale of the official staffs of the railways had been at its highest pitch for several months before he took charge. Because of the uncertainty as to the future of the railways which the adoption of government control causes, he may have difficulty in maintaining morale. Efficient operation in the northern part of the United States always is very difficult in winter; and Mr. McAdoo took charge in the midst of a winter of unusual severity when the railways, and especially the eastern lines, were wrestling with a traffic of unprecedented volume and complexity.

IT is evident that results under such abnormal conditions, some of which are especially favorable to the success of the new plan of government control, and some especially unfavorable, will be no fair test of what would be accomplished by government management of railroads under the normal conditions of peace. It is equally certain, however, that many persons will treat the results as yielding arguments for or against government ownership; and many already are predicting government ownership as the inevitable outcome of this war-time trial of governmnet control. Since equally confident predictions of the adoption of government ownership in the near future have been made in this country continually for at least forty years, and since at the end of the war the financial difficulties in the way of government purchase of the railways will be far greater than ever before, it is perhaps permissible to doubt whether current predictions upon this subject are any more likely to be fulfilled than earlier ones.

It does seem highly probable, however, that we shall never return to the system of railroad management and regulation which prevailed from 1906 to the end of 1917. That system, under which "rich" railways located in every territory had a hard time keeping rich, while the "poor" railways located in every territory found it easy to keep poor; under which state and federal regulation endlessly conflicted with and duplicated each other; under which railway affairs were kept in a constant turmoil, and the development of transportation facilities was almost arrested, was unsatisfactory alike to the regulating authorities, to railroad managers and owners, and to the public.

When Peace Comes

PERHAPS the solution of our railroad problem will be found in some system of regional railroad holding companies, with centralized direction of management, subject to regulation by regional federal railroad commissions from which there will be appeal to the Interstate Commerce Commission. Possibly the solution will be found in some scheme of government control of the management of all the railways operated as a single system, with government guarantees of net returns, such as that which has been adopted for the period of the war.

In any event, the leaders in American industrial and public affairs must look forward to the adoption, when peace comes, of a scheme of railroad management and regulation widely different from that which has prevailed heretofore; and they should try to so direct their own thinking and conduct, and those of the public, that the railroad policy finally adopted will be one which will not only not imperil, but will powerfully further the industrial and political welfare of the nation.



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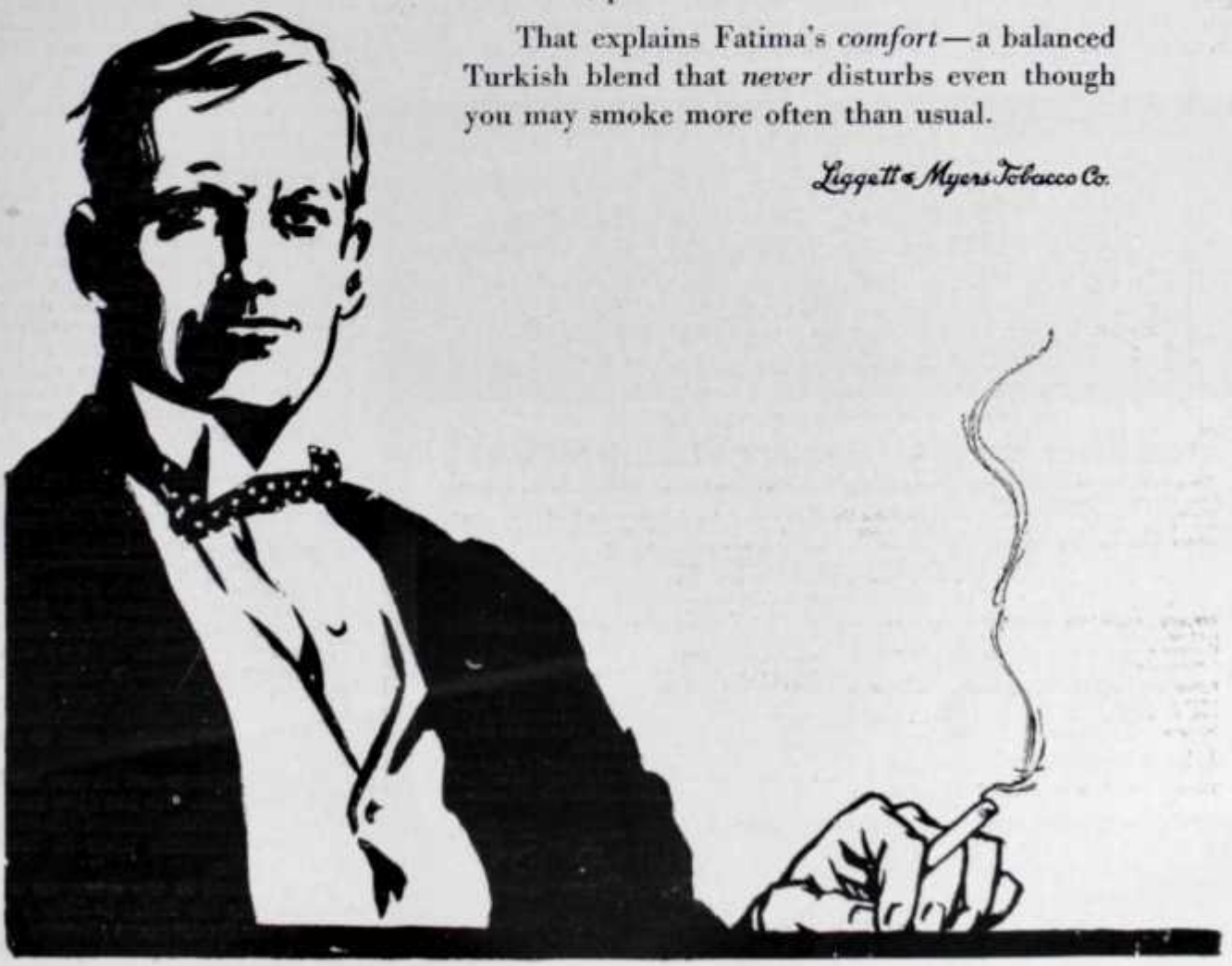
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The Old Order Changeth

(*Continued from page 22*)

the capital: archives and offices were in Bordeaux. The Prussians had been halted at the Marne, it should be said, but would Joffre's lines hold strong and true? No darker hour had ever brought greater doubt or grief to the French Republic.

It was then that a friend of France called at the largest bank in America. He asked, with authority, that a loan be given to that country. None had been made in the United States up to that moment. The Huns had boasted that they would soon be eating their dinner and drinking champagne in Paris, a boast that seemed more reasonable than improbable.

"What France asks," said Frank A. Vanderlip, president of the bank, "is impossible—but we are going to do it."

"And he did it," testifies the friend of France—Maurice Leon, the New York lawyer.

That day in their office, Vanderlip, once of Illinois, and McRoberts, vice-president and executive manager, formerly of Missouri, sat at a table and worked out the details of the loan together. Farm boys not long before, plowing for corn and planting it, cultivating it, and cutting it, shocking and husking it, and then reporters in Chicago, they helped to turn the Prussians back and to save Paris from defilement.

The man who can "think in seven figures" came to Washington. There were military reasons for giving him a commission. And so there is an eagle on each of his shoulders and he is Colonel McRoberts and no longer Mister. Nor is there a more military looking soldier in the army, regular or national.

Six feet, or an inch less, in stature, straight, slender and trim as a poplar, his clipped hair almost white, he would fit the infantry or the artillery and on horseback, were he cut in granite or poured in bronze, could be a dashing model for the cavalry.

"The world has been good to me," he says out of his cheerful, brown eyes, and by his manner. Success is proclaimed in his face; success in money and in all other adventures. The countenance is either a flag of defeat or a banner of victory. Let dour-visaged persons take notice.

Undoubtedly Samuel McRoberts would have made his mark in politics. Naturally, he is personally attractive. Naturally, I say, because many politicians and some others strive to be attractive by force or art and make a botch of it. There is no more pathetic sight in the world than an empty and dreary man engaged in the task of trying to have himself loved by the electorate.

He Comes From Missouri

YOUNG Samuel McRoberts, out near Malta Bend, in Missouri, which village now contains about 400 inhabitants, was probably drawn more toward politics than he is willing to admit offhand and at present. He did confess to the writer that the characters he admired were public—Governors and Senators. Their histories he read in the newspapers and all of them were lawyers.

The McRoberts family originated in Scotland and, taking a century or longer for their journey, arrived in Missouri by way of Virginia and Ohio. They were farmers and men of doctrine.

"There were some characteristics of my family," the Colonel said, "that I never understood until I traveled in Scotland."

The reader of intelligence and imagination need be told no more to see the McRoberts household and the McRoberts farm out in the rich bottom lands of the Missouri. I would say, rather positively, that when Samuel McRoberts left the district school and entered Baker University, at Baldwin, Kansas, that he meant to study law and talk himself into the legislature and afterwards into Congress.

Graduated at Baldwin, financed by his father, he took the law course at Ann Arbor. Then what? he was asked.

"I got on the cars, intending to return to Missouri," he answered. "Plans I had none, or, if I had, they have passed from my recollection. And very little money. That is the reason I stopped in Chicago. I would look around, I thought, get temporary employment and continue my journey.

"At Ann Arbor I had done some local work for city newspapers. The World's Fair opened a way for me to write advertisements and articles of news and description. But I was a lawyer and never meant to be a reporter. At last I found a place in a law office and worked eight months for $5 a week. Then I bought a desk and a chair and went into practice for myself."

"How much capital did you have at the time? the inquisitor inquired, perhaps impertinently.

"I hadn't any but my reporter friends were confident and passed my cards among their acquaintances and I caught a little of their enthusiasm. My first case? Oh, it was a sordid matter, a collection, no doubt, and left no impression on my memory.

"Some business came to my office but in bad times and worse I never departed from my standards. I wouldn't defend criminals, I said to myself, or take divorce cases. Soon I saw that a long struggle was ahead of me, not that I objected to hard work, or was unwilling to wait, but that I was ambitious to obtain a solid and desirable class of clients.

"When an unnamed corporation advertised for a lawyer, I answered with the thought that I could obtain in a few months the experience I needed and which I could not get for several years if I practised by myself.

"The advertisers proved to be Armour and Company, the packers. They gave me employment. After being in the legal department of that corporation for five years, I just drifted into the financial department."

Drifted naturally because the practical blood of the Scotch father mastered the romantic blood of the Scotch-Irish mother, who, born in Ohio, saw in oratory and statesmanship the one sure highway to honor. Such, at any rate, is the diagnosis of the writer. Take it or leave it alone.

AT the age of thirty-five, Samuel McRoberts was the treasurer of Armour and Company and the custodian of millions of money. When he was forty, he was invited to be a vice president and the executive manager of the National City Bank of New York, whose deposits, at the last report, amounted to $723,000,000.

For nine years Colonel McRoberts has been a banker and a director in many of America's greatest corporations—in Armour and Company, in the American Sugar and Refining Company, in the Baldwin Locomotive Works, in the St. Paul Railroad and so on and so forth.

Foreign exchange and finance has been one of his specialties. He has done much to give form to the banking laws of the country and to extend American trade in Europe and South America.

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contracts for artillery, small arms, and ammunition for the national government. He gives counsel to the government in the matter of credits to the manufacturers of rifles, pistols and ammunition.

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They are fighting, elbows touching, with bricklayers and farmers, carpenters and stenographers, coal miners and merchants. Such is the army of America. It will keep on battling when the war is ended for a better state of mind in their own country.

The United States Food Administration has authorized the following announcement:

Editors of house organs published by grocery concerns, associations, food manufacturers, bakers and other connected with the food industry will be placed upon the mailing list of the Food Administration to receive its weekly news bulletin by sending a request to the Distribution Division, Room 666, United States Food Administration, Washington, D.C.

Each Industry a War Unit

(*Concluded from page 12*)

only means of forestalling such catastrophes is through such complete organization that at a moment's notice the facts and the figures, the needs and the resources of the individual industry affected by a certain proposed order, may be presented to the proper officials and such arrangement for expansion, adjustment, transfer, or curtailment, entered into as will avert the blow.

The firm or corporation must subordinate its interest to the interest of the industry and accept such share of the business as the committee properly chosen by the entire industry shall allot to it.

In turn, the industry itself must subordinate its interest to the good of the country. Organizing for self-defense as well as for the public interest, it must be ready at a moment's notice to enter into negotiation with the Government to determine such status of operation as will permit the industry not only to exist, but to continue on the broadest basis compatible to the needs of the nation at war.

A PARTIAL list of industrial War Service committees is now available from Mr. Waddill Catchings, chairman of the Chamber's War Service Committee. It is published herewith and additions to the list will appear in the March issue of THE NATION'S BUSINESS.

Barbers Supply Association of America

Fred Dolle, *Chairman*, Pres. Fred Dolle, 669 W. Madison St., Chicago, Ill.
Joseph Gibson, Pres., Gibson Barber Supply Co., Duluth, Minn.
A. Edlis, Pres., A. Edlis Barber Supply Co., Pittsburgh, Pa.
Christ Kohler, Pres., Pastt & Kohler, Columbus, Ohio.
J. E. Miller, Pres., Illinois Razor Strop Co., 330 W. Kinzie St., Chicago, Ill.
Martin Hanson, G. M. Louis, Hanson & Sons, Chicago, Ill.
W. W. Page, Secy., Geneva Cutlery Co., Geneva, New York.
J. V. Reed, Sales Mgr., J. B. Williams Soap Co., 200 Fifth Ave., New York.
Bernard DeVry, Pres., DeVry Barber Sup. Co., Evansville, Ind.

Biscuit and Cracker Manufacturers Association of United States

Brooks Morgan, c/o Block Co., Atlanta, Ga.
John H. Wiles, Treas., Loose-Wiles Biscuit Co., Kansas City, Mo.
R. E. Tomlinson, Pres., National Biscuit Co., New York.

American Boiler Manufacturers Association

W. C. Connelly, *Chairman*, D. Connelly Boiler Co., Collingwood Station, Cleveland, Ohio.
G. S. Barnum, Pres., Bigelow Company, New Haven, Conn.
Geo. W. Buch, C. M. Union Iron Works, Erie, Pa.

United States Brewers' Association

C. W. Feigenspan, *Chairman*, Newark, N. J.
Edward A. Schmidt, Philadelphia.
Edward Landsberg, Chicago, Ill.
Louis B. Schram, Brooklyn, N. Y.
Julius Liebmann, Brooklyn, N. Y.
William Hamm, St. Paul, Minn.
Gustave Pabst, Milwaukee, Wis.
James R. Nicholson, Boston, Mass.
Hugh F. Fox, New York, Secretary.

American Face Brick Association

P. B. Belden, *Chairman*, G. M. Belden Brick Co., Canton, Ohio.
F. W. Butterworth, G. M., Western Brick Co., Danville, Ill.
H. E. Stringer, Sales Mgr., Hydraulic-Press Brick Co., Washington, D. C.
R. D. T. Hollowell, Sec.-Treas. of Assn., Fulton Bldg., Pittsburgh, Pa.

National Brick Manufacturers Association

Fritz Salmen, Slidell, La.
Geo. H. Clippert, Detroit, Mich.
J. W. Robb, Clinton, Ind.
Wm. K. Hammond, New York, N. Y.
John W. Silbey, Birmingham, Ala.
Theo. A. Randall, Indianapolis, Ind.

Bridge Builders and Structural Society

John Sterling Deans, *Chairman*, Phoenix Bridge Co., Phoenixville, Pa.
Lewis D. Rights, Lewis F. Shoemaker & Co., New York City.
H. A. Wagner, Wisconsin Bridge & Iron Co., No. Milwaukee, Wis.
C. D. Marshall, McClintic-Marshall Co., Pittsburgh, Pa.
J. L. Kimbrough, Indiana Bridge Co., Muncie, Indiana.
Thomas Earle, Bethlehem Steel Bridge Corp., So. Bethlehem, Pa.

National Canned Foods and Dried Fruit Brokers Association

Wm. H. Nicholls, Chicago, Ill.
F. A. Aplin, New York, N. Y.
Jos. H. Kline, Cleveland, Ohio.
Jas. M. Hobbs, Secy., Nat'l Canned Foods & Dried Fruit Brokers Assn., Chicago, Ill.
Joseph Keevers, Pres., Nat'l Canned Foods & Dried Fruit Brokers Assn., Peoria, Ill.

Carriage Builders National Association

Philip Rheem, *Chairman*, Reliance Buggy Co., St. Louis, Mo.
W. H. Roninger, Banner Buggy Co., St. Louis, Mo.
C. R. Crawford, Moon Bros. Carriage Co., St. Louis, Mo.
Frank Delker, Delker Bros. Carriage Co., Henderson, Ky.
E. J. Schlamp, George Delker Co., Henderson, Ky.

National Confectioners' Association

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R. R. Cleeland, 33 Harrison St., Springfield, Mass.

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Geo. E. Close, The Geo. Close Co., 243 Broadway, Cambridge, Mass.
J. K. Farley, Jr., Farley Candy Co., 726 No. Franklin St., Chicago, Ill.
H. W. Hoops, 271 Mulberry St., New York.
W. H. Belcher, 427 Commercial St., Boston, Mass.
Walter C. Hughes, 111 W. Washington St., Chicago, Ill.
Paul B. Beich, Paul F. Beich Co., Bloomington, Ill.
A. S. Colebrook, The Rochester Candy Works, 407 State St., Rochester, N. Y.

American Manufacturers Association of Products From Corn

W. G. Irwin, *Chairman*, Union Starch & Refining Co., Edinburg, Ind.
C. D. Edinburg, Amer. Maize Products Co., 135 William St., New York.
J. B. Reichmann, Douglas Company, Cedar Rapids, Iowa.
G. S. Mahana, Corn Products Refining Co., 17 Battery Pl., New York.

National Council of American Cotton Manufacturers

Ronald T. Lyman, *Chairman*, Boston Mfg. Co., Boston, Mass.
Howard Baetjer, Mt. Vernon-Woodberry Mills, Baltimore.
Albert Farwell Bemis, Bemis Bro. Bag Co., Boston, Mass.
Stuart W. Cramer, Charlotte, N. C.
B. B. Draper, Draper Corp., Hopedale, Mass.
B. E. Geer, Judson Mills, Greenville, S. C.
Edwin Farnham Greene, Pacific Mills, Boston, Mass.
George Lanier, West Point Mfg. Co., West Point, Ga.
John A. Law, Saxon Mills, Spartanburg, S. C.
W. Frank Shove, Pocasset Mfg. Co., Fall River, Mass.

American Cotton Waste Exchange

Philip A. Green, 200 Summer St., Boston, Mass.
Joseph F. Wallworth, 32 No. Front St., Philadelphia, Pa.
Jas. F. McMeel, 90 Metropolitan Ave., Brooklyn.
Michael F. Dunn, 804 Main St., Fitchburg, Mass.
Samuel I. Ayres, 200 Summer St., Boston, Mass.

Dental Manufacturers War Emergency Association

F. H. Taylor, Pres., S. S. White Dental Mfg. Co., Philadelphia.
The American Cabinet Co., Two Rivers, Wis.
W. Ogden Britton, Trenton, N. J.
Buffalo Dental Mfg. Co., Kerr St., Buffalo, N. Y.
The L. D. Caulk Co., Milford, Del.
A. C. Clark & Co., Grand Crossing, Chicago, Ill.
Cleveland Dental Mfg. Co., Cleveland, Ohio.
Columbus Dental Mfg. Co., Wager & Jackson Sts., Columbus, Ohio.
Consolidated Dental Mfg. Co., 130 Washington Place, New York.
Davol Rubber Co., Providence, R. I.
The Dental Supply Co., 1200 Arch St., Philadelphia, Pa.
The Dentists' Supply Co., 220 W. 42nd St., New York.
A. P. DeSanno & Son, 1252 N. Broad St., Philadelphia.
Detroit Dental Mfg. Co., 22 Milwaukee Ave., Detroit, Mich.
Eugene Doherty Rubber Works, Inc., 110 Kent Ave., Brooklyn, N. Y.
Electro Dental Mfg. Co., 23rd & Arch Sts., Philadelphia.
The Fitzgerald-Auld Co., 43 W. Long St., Columbus, Ohio.
S. E. Gilbert, 1627 Columbia St., Philadelphia.
Goldsmith Bros., Heyworth Bldg., Chicago.
Wm. R. Hall & Son Co., 918 N. 17th St., Philadelphia.
The Harvard Co., Canton, Ohio.
J. W. Ivory, 21 W. 13th St., Philadelphia, Pa.
Johnson & Johnson, New Brunswick, N. J.
Johnson & Lund, 620 Race St., Philadelphia.
H. D. Justi & Son., 1301 Arch St., Philadelphia.
Kings Specialty Co., Fort Wayne, Ind.
McCormick Rubber Co., 355 W. 36th St., N. Y.
J. Bird Meyer Co., Inc., 1212 Vine St. Philadelphia, Pa.
Ohio Chemical & Mfg. Co., 1177 Marquette St., N. E., Cleveland, Ohio.
Oxygen Gas Co., 19th & Campbell Sts., Kansas City, Mo.
The Pelton & Crane Co., 244 Harper Ave., Detroit, Mich.
Pennsylvania Dental Mfg. Co., 1315 Sansom St., Philadelphia.
Premier Dental Mfg. Co., 619 Spring Garden St., Philadelphia.
Randall-Faichney Co., 76 Atherton St., Boston, Mass.
The Ransom & Randolph Co., 514 Jefferson Ave., Toledo, Ohio.
The Ritter Dental Mfg. Co., 610 W. Ave., Rochester, N. Y.
Scanlon-Morris Co., Madison, Wis.
The W. M. Sharp Mfg. Co., Inc., Park Ave., Binghampton, N. Y.
Gideon Sibley, 1214 Filbert St., Philadelphia, Pa.
E. E. Smith, 1252 Race St., Philadelphia.
Lee S. Smith & Son Mfg. Co., Keenan Bldg., Pittsburgh, Pa.
The Star Dental Mfg. Co., 335 Arch St., Philadelphia, Pa.
Stratford-Cookson Co., 28 S. 40th St., Philadelphia, Pa.
The Teter Mfg. Co., 1106 Williamson Bldg., Cleveland, Ohio.
Traun Rubber Co., 335 Broadway, New York, N. Y.
Union Dental Instrument Mfg. Co., 525 Cherry St., Philadelphia.
Weber Dental Mfg. Co., Cherry & Ninth Sts., Canton, Ohio.
The Williams Gold Refining Co., 2978 Main St., Buffalo, New York.
The S. S. White Dental Mfg. Co., 12th & Chestnut Sts., Philadelphia, Pa.
W. E. Young, 177 N. State St., Chicago.
Young Dental Mfg. Co., 4633 Maryland Ave., St. Louis, Mo.

War Board of the American Electric Railway Association

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Britton I. Budd., Pres., Chicago Elevated Railways, Chicago, Ill.
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Lucius S. Storrs, Pres., The Connecticut Co., New Haven, Conn.

The Electrical Manufacturing Industry

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R. K. Sheppard, Simplex Wire & Cable Co., Boston, Mass.
W. W. Nichols, Allis-Chalmers Co., New York, N. Y.
C. A. Terry, Westinghouse Elec. & Mfg. Co., New York, N. Y.
Jas. C. Hobart, The Triumph Elec. Co., Cincinnati, Ohio.

Foundrymen's War Service Committee

American Foundrymen's Association.
National Founders Association.
American Institute of Metals (non-ferrous).
Steel Founders Society of America.
American Malleable Castings Association.
Members of Committee:
R. A. Bull, *Chairman*, V. P. & G. M. Duquesne Steel Foundry Co., Pittsburgh, Pa.
G. H. Clamer, V. P. & Sec. Ajax Metal Co., Philadelphia, Pa.
J. C. Haswell, Pres., Dayton Malleable Iron Co., Dayton, Ohio.
H. D. Miles, Pres., Buffalo Foundry & Machine Co., Buffalo, N. Y.
C. C. Smith, Pres., Union Steel Casting Co., Pittsburgh, Pa.

National Gas Engine Association

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Rufus K. Schriber, H. C. Doman Co., Oshkosh, Wis.
Geo. W. Schwer, The Dauch Mfg. Co., Sandusky, Ohio.
C. F. Fithian, The Bessemer Gas Engine Co., Oil City, Pa.
C. B. Segner, The Domestic Pump & Eng. Co., Shippensburg, Pa.
C. Heer, The Reliable Engine Co., Portsmouth, Ohio.
Walter F. Brown, The Webster Electric Co., Racine, Wis.
Geo. Hanson, The Havana Mfg. Co., Havana, Ill.
Lester H. Keim, Conway Bldg., c/o R. D. Nuttall Co., Chicago, Ill.
Lester S. Keilholtz, Domestic Engr. Co., Dayton, Ohio.
C. E. Bement, Novo Engine Co., Lansing, Mich.
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American Bridge Co.
International Harvester Co.
Diamond Match Co.
Pole River Shipbuilding Corporation
Corn Products Refining Co.
Boston Elevated Railways

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Philip P. Barton, Vice-Pres., Niagara Falls Power Co., Niagara Falls, N. Y.
John A. Britton, Vice-Pres., Pacific Gas & Elec. Co., San Francisco, Cal.
Alex. Dow, Pres., Detroit Edison Co., Detroit, Mich.
Chas. L. Edgar, Pres., Edison Elec. Ilg. Co. of Boston, Boston, Mass.
A. E. Forstall, Pres., American Gas Institute, New York, N. Y.
Jos. F. Guffey, Pres., Natural Gas Assn. of Amer., Pittsburgh, Pa.
Saml. Insull, Pres., Commonwealth Edison Co., Chicago, Ill.
D. C. Jackson, Prof. of Electrical Engr. Mass. Inst. of Technology, Boston.
Jos. R. McCall, Pres., The Philadelphia Electric Co., Philadelphia, Pa.
Capt. Wm. C. McKay, Pres., New England Gas & Coke Co., Boston, Mass.
Herbert A. Wagner, Pres., Consolidated Gas, Elec. Lt. & Pr. Co., Baltimore, Md.
S. S. Wyer, Consulting Engr. Natural Gas Industry, Columbus, Ohio.
Geo. W. Elliott, Secy. of Committee, Washington, D. C.

Hydraulic Society

J. W. Gardner, *Chairman*, Gardner Governor Co., Quincy, Ill.
G. R. Deming, The Deming Co., Salem, Ohio
L. B. Anderson, Advance Pump & Compressor Co., Battle Creek, Mich.
J. D. Cone, A. S. Cameron Steam Pump Wks., 11 Broadway, New York, N. Y.
Robert E. Hall, Goulds Mfg. Co., Chicago, Ill.
E. T. Fishwick, Worthington Pump & Mach. Corp., New York, N. Y.
R. R. Hicks, Union Steam Pump Co., Battle Creek, Mich

American Iron, Steel and Heavy Hardware Association

Saml. L. Orr, *Chairman*, Vice-Pres., Orr Iron Co., Evansville, Ind.
Chas. M. Roehm, Roehm & Davison, Detroit, Mich.
Jas. A. Coe, Jas. A. Coe & Co., Newark, N. J.

Paint Manufacturers Association of the United States

Thomas Neal, *Chairman*, Acme White Lead & Color Works, Detroit, Mich.
E. T. Trigg, John Lucas & Co., Inc., 322 Race St., Philadelphia, Pa.
W. H. Phillips, Devoe & Raynolds Co., Inc., 101 Fulton St., New York, N. Y.
A. D. Jorve, Sherwin Williams & Co., 601 Canal Road, N. W., Cleveland, Ohio.
E. W. Heath, Heath & Milligan Mfg. Co., 1837 Seward St., Chicago, Ill.
Charles S. Kennedy, Lowe Bros. Co., Dayton, Ohio.

National Paint, Oil and Varnish Association

E. J. Cornish, *Chairman*, Pres., National Lead Co., 111 Broadway, New York.
W. H. Cottingham, Cleveland, Ohio.
James B. Lord, Boston, Mass.
Chas. J. Casper, Pittsburgh, Pa.
Arthur S. Soeders, New York, N. Y.
W. D. Foss, Wooster, Ohio.
Howard Kellogg, Buffalo, N. Y.

American Paper and Pulp Association

A. B. Daniels, *Chairman*, Pres., Amer. Paper & Pulp Assn., Adams, Mass.
A. D. Naylor, Secretary, Amer. Paper & Pulp Assn., 18 E. 41st St., New York.
F. L. Stevens, c/o Stevens & Thompson Paper Co., No. Hoosick, N. Y.
A. W. Esleeck, Esleeck Mfg. Co., Holyoke, Mass.
C. W. Lyman, International Paper Co., 30 Broad St., New York.
M. E. Marcuse, Bedford Pulp & Paper Co., Richmond, Va.
L. E. Nash, Nekoosa-Edwards Paper Co., Port Edwards, Wis.
F. S. Harrison, Halltown Paper Board Co., Halltown, W. Va.
W. J. Eisner, Newark Paraffin & Parchment Paper Co., 90 West St., New York
Phillips Kimball, Liberty Paper Co., 52 Vanderbilt Ave., New York City.
Allison Dodd, c/o E. H. Davey Co., Bloomfield, N. J.
G. F. Merriam, Holyoke Card & Paper Co., Springfield, Mass.
R. B. Harbison, West Carrollton Parchment Co., Dayton, Ohio.
B. A. Van Winkle, Hartford City Paper Co., Hartford City, Indiana.
D. A. Smith, District of Col. Paper Mfg. Co., Washington, D. C.
W. A. Forman, Barrett Mfg. Co., 17 Battery Place, New York City.

The U. S. Potters Association

W. E. Wells, *Chairman*, c/o The Homer-Laughlin China Co., Newell, W. Va.
Marcus Aaron, Homer-Laughlin China Co., Pittsburgh, Pa.
C. C. Ashbaugh, West End Pottery Co., Ea. Liverpool, Ohio.
Chas. L. Seebring, Seebring Pottery Co., Seebring, Ohio.
Joseph Mayer, Mayer Pottery Co., Beaver Falls, Pa.

Pressed Metal Association

W. C. Acklin, The Acklin Stamping Co., Toledo, Ohio.
J. F. Savage, The Amer. Tube & Stamping Co., Bridgeport, Conn.
J. R. Jones, The Bossert Corp., Utica.
H. A. Pike, The Boston Pressed Metal Co., Worcester, Mass.
W. H. Hill, The Crosby Co., Buffalo.
C. H. L. Flintermann, Detroit Pressed Steel Co., Detroit, Mich.
B. S. Gier, The Gier Pressed Steel Co., Lansing, Mich.
Mr. Pareschke, Geuder, Pareschke & Frey Co., Milwaukee, Wis.
A. F. Shroeder, The Globe Mach. & Stamping Co., Cleveland, Ohio.
Mr. Kilburn, Hale & Kilburn Co., Philadelphia, Pa.
Mr. Bole, The Hydraulic Pressed Steel Co., Cleveland, Ohio.
Mr. Bland, The Ireland & Matthews Mfg. Co., Detroit, Mich.
J. F. Whitehead, Kales Stamping Co., Detroit, Mich.
Frank Mossberg Co., (W. I. Tuttle), Attleboro, Mass.
Mr. McDonald, Savage Arms Corp., S. Sharon, Pa.
S. P. Ker, Sharon Steel Hoop Co., Sharon, Pa.
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is the government restricted to dealing with individual plants and localities. Through its War Service Committee, each industry may now voice at Washington its potential resources, keep informed of conditions and prepare, on notice, to meet the government needs.

THE Chamber of Commerce of the United States, pursuant to its pledge "to prevent waste of men and material and dedicate to the nation every facility it has developed" and acting upon the suggestion of the Director of the Council of National Defense, called upon each industry to appoint a War Service Committee. Sixty-five industries had created such committees on Dec. 12, when the chairmen held their first conference in Washington, at which two hundred industries were represented. A CENTRAL WAR COMMITTEE OF INDUSTRIES was created to direct the work of organizing the remainder of the industries and the appointment of such committees.

THE personnel of this Central Committee is a pledge of ability and effectiveness and should give confidence to every American business man:

WADDILL CATCHINGS, Chairman.
New York Banker and Manufacturer; Director Schloss-Sheffield Steel Co.; Member, Goldman, Sachs & Co.

HOMER L. FERGUSON, Newport News.
Manufacturer; President, Newport News Shipbuilding & Dry Dock Co.

WILLIAM BUTTERWORTH, Moline.
Manufacturer; President, Deere & Co.

LEWIS E. PIERSON, New York.
Banker and Wholesaler; Chairman the Board, Irving National Bank; President, Austin, Nichols & Co.

HARRY A. WHEELER, Chicago.
Banker; Vice-President, Union Trust Co.; Food Administrator State of Illinois; Ex-President, Chamber of Commerce of U. S.

CHARLES NAGEL, St. Louis.
Attorney; Former Secretary of Commerce and Labor.

JOHN H. FAHEY, Boston.
Publisher and Manufacturer.

This is only one of the services which the National Chamber is undertaking for the benefit of the entire structure of American Business and to assist the government at war. This great federation of commercial organizations, behind which stands an Individual Membership of America's foremost business men, invites your active interest and support. If you are not already a member, it will give pleasure to present your application to the Board.

FIELD DIVISION
Chamber of Commerce of the United States
Washington, D. C.

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Edgar H. Cottrell, *Chairman*, C. B. Cottrell & Sons, Westerly, R. I.
Arthur Bentley, Miehle Ptg. Press & Mfg. Co., Chicago, Ill.
Saml. G. Goss, Goss Ptg. Press Co., Chicago, Ill.
Geo. D. Kirkhan, Harris Automatic Press Co., Cleveland, Ohio.

American Specialty Manufacturers Association
Wm. L. Sweet, *Chairman*, Rumford, Chem. Works, Providence, R. I.
R. R. Moore, Diamond Crystal Salt Co., St. Clair, Mich.
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Hamilton Ha ethurst, c/o Old Bridge Enameled Brick & Tile Co., Old Bridge, N. J.

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Chas. J. Eisenlohr, Pres., Otto Eisenlohr & Bros., Inc., Philadelphia.
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J. L. Graham, R. J. Reynolds Tobacco Co., Winston-Salem, N. C.
Chas. Dushkind, Secy., 5 Beekman St., New York, N. Y.

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C. H. Bennett, Plymouth, Mich.
A. T. Sharps, New York, N. Y.
Leo. Schlesinger, Leo Schlesinger & Co., 64 Wooster St., New York.
A.D. Converse, Morton E. Converse & Son, Winchenden, Mass.
F. P. Dodge, Secy. of Assn., Flatiron Bldg., New York, N. Y.

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J. B. Lord, Boston Varnish Co., Everett, Mass.
John J. Nicholson, Murphy Varnish Co., Newark, N. J.
A. C. Morgan, Chicago Varnish Co., Chicago, Ill.
Orrin S. Goan, Berry Bros., Detroit.

Veneer and Panel Industry
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M. W. Perry, Algoma, Wis.
D. E. Kline, Louisville, Ky.
R. L. Jurden, Memphis, Tenn.
E. R. Morrison, Jamestown, N. Y.

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Frank Page, Becker, Smith & Page, Water St. and Snyder Ave., Philadelphia, Pa.
W. D. Uptegraff, Pittsburgh Wall Paper Co., Westinghouse Bldg., Pittsburgh, Pa.
W. A. Huppuch, Standard Wall Paper Co., Hudson Falls, N. Y.
Hon. W. F. Bay Stewart, York Card & Paper Co., York, Pa.
George Tait, Imperial Wall Paper Co., Glens Falls, N. Y.
I. Baumgartl, Art Wall Paper Mills, Chicago, Ill.
Howard M. Heston, M. H. Birge & Sons Co., Buffalo, N. Y.
George H. Kelm, Gledhill Wall Paper Co., 541 W. 34th St., New York City.

National Association of Waste Material Dealers
Louis Birkenstein, *Chairman*, 377 W. Ontario St., Chicago, Ill.
F. W. Reidenbach, Rochester, N. Y.
E. Salomon, 140 Nassau St., New York City, N. Y.
Paul Loewenthal, 23 Heyward St., Brooklyn, N. Y.
Maurice Goldstein, 200 Fifth Ave., N. Y.
Newell J. Lewis, 29th St. and Liberty Ave., Pittsburgh, Pa.
Wm. Lewin, 23 Branch St., St. Louis, Mo.
Ivan Reitler, 41st and Wallace Sts., Chicago, Ill.



When the work of three is left to two

That's not a far-off prospect for business offices.

Already it is a reality in some. It's a situation that can't be ignored.

Are you fixed to meet it?

Speedy and accurate work can hardly be expected from an overworked staff—especially on accounting jobs.

You can't count for relief on the usual surplus of Bookkeepers, Bill Extenders, and other Figure Clerks.

They'll be marching in khaki.

But you can count on the Comptometer to equalize the burden—*even when the work of three is left to two.*

You can count on its rapid-fire action equally effective on Addition, Multiplication, Division, Subtraction—to extend the productive power of your shortened force on all figure operations:

Proving Postings; Balancing Accounts; Adding Daily Sales; Extending and Footing Invoices, Payroll and Estimates; Figuring Costs.

Now's the time to investigate—before the emergency grows acute.

Anyhow, it's a measure of economy, no matter what happens.

Get in touch with a Comptometer man—you'll find his address below. Invite him to drop in with his machine—*not to argue*—but to show you what it will do by doing it.

Felt & Tarrant Manufacturing Co., 1727 N. Paulina Ave., Chicago

CONTROLLED-KEY
Comptometer
The controlled-key safeguards accuracy

ADDING AND CALCULATING MACHINE

Subscribers to THE NATION'S BUSINESS are reminded that owing to the enormous burdens under which the railroads are struggling, delays in the mails are inevitable. Our subscribers are therefore asked to wait a few days before writing for copies of the magazine that are overdue. It is most likely that they have only temporarily been held up in transit.

A change in systems in the mailing department of the Chamber of Commerce of the United States has been effected. The change will result in material betterment of the service, but in transition, errors in the mailing list may have crept in and it will be appreciated if members will bring them promptly to the attention of the Chamber, in order that correction may be made. Please direct notices of changes to the Assistant Secretary, room 708, Riggs Building, Washington.

The Gist of Food Conservation

A new pamphlet issued by the Food Administration, entitled "War Economy in Food," gives suggestions and recipes for substitutions in the planning of meals, with general information, such as the President's call to the women of the Nation, the pledge card, an outline of the food problem, the home card and home card supplement No. 1, plans for meals and service, recipes for cooking conservation dishes, and the like. Copies of this pamphlet may be had on request from the Section of Publications, United States Food Administration, Washington, D. C.

To a House whose problem is

FINANCE

You may be encountering "business-growing pains"—your orders may be coming in so rapidly that you cannot digest them without additional capital.

Such a condition merits the serious consideration of investors. Mr. Meloy may show you how to interest men who are looking for just such an opportunity.

Circumstances—the war, the change of demand, unfortunate management—may have endangered your credit and placed you in an uncomfortable situation. Mr. Meloy may show you the door to safety. Financing is a science, and Mr. Meloy is an expert in financial matters, comparable with those great names you know in advertising and sales work.

The matter of seeking capital depends on the virtue of the business offered. Just as your product must be good, so the basic—the foundational qualities of the prospective investment must be sound. But, just as your product must be offered in an attractive package, so the container—the manner in which your investment opportunity is stated—must be attractive to the man who is to spend a large sum of money.

There are scores of business houses who owe their present credit, capitalization and financial soundness to the splendid advice which they have received from Mr. Meloy. A sum of over $25,000,000 has been raised through Mr. Meloy's plans, and many business wrecks have been averted because Mr. Meloy was able to chart the correct course.

If you are prepared, upon investigation, to engage the services of Mr. Meloy, on a fee basis, we shall be glad to arrange an appointment at which your story may be told to Mr. Meloy.

THREE RECENT INSTANCES OF THE PAST 4 MONTHS

(a) New York City concern practically defunct has $175,000 cash capital invested.

(b) A great metal industrial concern has raised $450,000 cash capital without floating the stock.

(c) A big industrial plant heavily in debt is now safely floating with $100,000.

Unless I am confident that the capital you seek can be obtained, I will not accept the employment. If I accept the employment I will continue with your proposals until your purposes have been achieved.

ANDREW D. MELOY

55 Liberty Street NEW YORK

Priorities

(*Continued from page 11*)

material or manufactured article, no application should, as a rule, be made for priority, nor will it be considered. And although there may be a general shortage in certain articles or commodities, it does not necessarily follow that delivery on a given order will be delayed. The particular producer or manufacturer with whom the order is placed may be well prepared to make delivery on schedule time, therefore inquiry should first be made of him to ascertain if there will be a delay. If it appears at any time that there will be a serious delay in the delivery of some article or commodity which is essential, application for priority assistance should be made and will be promptly and carefully considered.

Business men can be of immense assistance to the Priorities Committee in furnishing on request by it information with respect to a particular industry, its output, distribution, capacity and what is required to increase its capacity if an increase seems desirable. They can also assist us in educating respective trades and industries as to what priority really means, what we are seeking to accomplish.

IN considering applications for priority, it must be constantly borne in mind that it is the policy of the Government to discourage all new undertakings not essential to and not contributing either directly or indirectly toward winning the war, where the prosecution of such undertakings requires the utilization of labor and material which can be used to advantage in the production, supply or distribution of war needs, direct or indirect. It will also frequently happen that an applicant for priority is engaged in producing both essentials and non-essentials, or less-essentials, and by eliminating the production belonging to the latter class, will not stand in need of priority assistance to produce the real essentials.

In such cases the ratio between the applicant's production of essentials and his total production, as well as the ratio between his war needs production, direct and indirect, and his total production, must be carefully weighed in acting on his application. If applicants will bear these conditions constantly in mind, it will save them and the Priorities Committee much unnecessary correspondence and labor. Permit me as a last word to impress upon your minds that the test which the Priorities Committee will apply to each application is:

To what extent, if at all, will the granting of this application contribute, directly or indirectly, toward winning the war; and if at all, how urgent is the need.

The applicant should, in the first instance, himself apply this test in order to determine as a patriotic citizen, equally interested with us all in winning the war and hence sharing our responsibilities, whether or not he is justified in making the application.

I have been in Washington now some four months, and have come in contact with a great number of men of force and ability, of large business experience and representing great industries. Some of them have come to me with complaints at first disposed to feel that we were interfering with their business which they knew better how to conduct than anyone else; but I have yet to find a man who has left the office of the Priorities Committee without leaving behind the impression that he was wholeheartedly in favor of this plan and that no matter how much he might be inconvenienced, delayed or damaged by its application to his particular business, he esteemed it a privilege to render a service to his country.

I HAVE no doubt of the patriotism of the business men of this country, but we must have something more than unorganized patriotism behind the agencies that are created for the mobilization of the industries of this Nation. Congress must put behind those agencies ample power to do as well as to suggest; to direct as well as to recommend. The clothing of Governmental agencies with such powers will operate as a measure of protection to the industries themselves as when they comply with the request of such agencies and give precedence to urgent work, they will not subject themselves to claims for damages by those whose contracts and orders may be displaced thereby.

Here again the nation's business men can be of great assistance in procuring such needed legislation, to the end that a strong organization may be formed, clothed with ample power to do what we are all striving to do, to set up, if you please, a temporary autocracy more powerful and more efficient than that of Germany, in order that democracy may live.

The Skeleton In Our Foreign Trade Closet

(*Concluded from page 32*)

Successful marketing abroad requires the answering of these and similar questions. In foreign trading, experiences in domestic business are not always a safe guide. Methods employed by foreign export syndicates are more likely to be suggestive. They will often suggest not only what to do but what not to do.

Successful marketing abroad also requires men of initiative and constructive genius, men who have the spirit of adventure, and men with a sympathetic understanding of foreign peoples. It requires a knowledge of the art of cooperation in export trade. Men are coming to the front in this country as leaders in our export business who have a grasp of the details of foreign trading, an understanding of foreign exchanges, banking, transporta-

tion and competition, and a statesmanlike vision of the possibilities of our oversea trade and its relation to the peaceful progressive development of the world. They look upon foreign trade as reciprocal—of benefit both to foreign countries and to ours. Their ships that carry American goods to China and South America return ladened with foreign wares.

And these ships bring us more than goods. They bring us ideas of foreign peoples—of their customs, literature, government, and social life. They break down the prejudices of that part of our life that is narrow and provincial; they help broaden our sympathies; they help us to see our true place in the family of nations.

Editor's Note—This is the third of a series of foreign trade articles by Mr. Culbertson. The fourth and last will appear in the March number of THE NATION'S BUSINESS. It will take up the arguments against export business and show that the Webb-Pomerene Bill will allow American business men to meet competitors of other nations without affecting prices in the home market.

A White List of Business Books

(*Concluded from page 33*)

of Shipping Board), Doubleday, Page & Co., $2, 1916. The introduction says the time has come for plain truths stated in a plain way. His message is not critical but constructive; it is not for the other man, but for you; and his plea is for cooperation in business, especially for cooperation in getting export trade. We have been handicapped by lack of an organization among business men to give information and advice, or to undertake the cooperative promotion of trade in any given line in foreign countries. Includes a survey of cooperative work of this kind in Germany and England.

Executive Control. Shaw Co., $2.50, 1915. Tested short cuts and policies for executives.

Elements of Industrial Management. Smith, Lipp, $2, 1915. Gives principles of manufacturing organization for a works manager.

Business Management. Griffith, 2 vols., $2, Amer. School of Cor., 1910. Handbook of organization and administration of commercial and industrial enterprises, departmental responsibilities and methods. Not new, but practical.

The B/L
Collection Bank
of Chicago

UNION TRUST COMPANY CHICAGO

This bank is particularly well equipped to serve manufacturers, jobbers, wholesalers, and dealers located in States West of Pennsylvania to the Pacific Coast. We offer the facilities of a Chicago checking account with or without a line of credit. Our collection Department is a special feature of this service. We make a specialty of handling Bill of Lading collection items. Correspondence is invited.

Union Trust Company
CHICAGO

One of Chicago's old conservative banks doing strictly a commercial business. Established 1869

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Any office boy can do the latter by using the
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Deere & Company, Moline, Illinois

Announcement

The Name of
Broadway
Trust Company
was changed to
Irving
Trust Company
November 30, 1917

Account for Every
LABOR MINUTE

HERE is the one logical method of keeping an accurate account of when you received and when you sent out letters, orders, contracts, etc. It will avoid all disputes, as it records every minute of the day or night.

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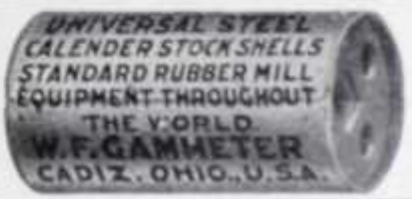
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If you ever wake up to this, blame it on someone's inflammable roof

IN THE LAST FEW YEARS thousands of people of Atlanta, Baltimore, Salem and Paris looked helpessly on just such a sight—stood powerless while their homes, workshops and landmarks were eaten alive by the red scourge.

So long as we are human, carelessness, oversight and combustibles will prevail. So will fire. And while a single burned home or gutted factory is a severe loss to the individuals involved, the community fire is a real catastrophe. And it isn't an accident. It is the price charged by ignorance for a lesson in fire safety.

All such fires start small and spread large over the Inflammable Roof Route. Your home's protection from the community fire depends on the material fastened to its rafters. Your factory's chance in a conflagration depends on its roof material.

The modern roof has outgrown its function as a weather protection—it must be a fire preventative as well—and this is a specification for Johns-Manville Asbestos Roofings, resistant to heat, weather, and time. This modern roof is one of the biggest single contributions to fire-safe construction, and explains why slowly but surely the fire peril is lessened and the day comes nearer when it will flicker out.

Safeguard your property with one of these Johns-Manville Asbestos Roofings—Asbestos Built-Up Roofing, Asbestos Ready Roofing, Corrugated Asbestos Roofing, Colorblende and Transite Asbestos Shingles.

H. W. JOHNS-MANVILLE CO.
NEW YORK CITY
10 Factories—Branches in 60 Large Cities

JOHNS-MANVILLE SERVICE
COVERS THE CONTINENT

JOHNS-MANVILLE
Service in Fire Prevention



Packing A Nation's Products

Second of a Series—Foodstuffs

IN these days of utmost economy in food, the packing protection afforded by Hinde & Dauch Corrugated Board boxes can be fully appreciated. The nation's largest shippers of cereals, groceries, prepared meats, fruit, and other foodstuffs have long recognized the excellence of these boxes; their use is now insuring a minimum of shipping waste by eliminating the possibility of damage to containers or contents.

But the advantages of corrugated board protection are by no means confined to shipments of foodstuffs. Hinde & Dauch boxes combine resiliency with shock-resisting strength to produce a carrier unequaled in adaptability. Hardware, small machine parts, fragile glassware and bottled goods, clothing, shoes—an endless list of the nation's products are packed in Hinde & Dauch boxes as the safest shipping containers.

H & D box-board makes a box compact in size, light in weight and wonderfully saving of time, labor and space in the shipping room. For this reason our ten modern mills are kept busy day and night—supplying demands which have steadily increased through years of successful use by the leading makers of the nation's products.

THE HINDE & DAUCH PAPER COMPANY

312 WATER STREET SANDUSKY, OHIO

Canadian Trade Address, Toronto Ont.

Keep the Roads Open

Do Not Let Snow Block the Government

INCREASED PRODUCTION NECESSARY TO VICTORY

WE DECLARED war against Germany absolutely confident that the man and material power of the United States would hasten victory for democracy—nothing must interfere—nothing will.

The President in his far-sighted proclamation of April 16, 1917, stated plainly the duty of our producers and handlers of necessities.

Our captains of industry realized at once that our President expected them to increase production—then more production and more production—and to keep on increasing production for the requirements of our government and our people.

As production is increasing and our army is being created, former transportation facilities are being overburdened.

MOTOR TRUCK RELIEF

Enormous tonnage of both men and materials is being carried over our highways, for short and long distances, by motor trucks. The use of motor trucks is increasing daily.

The necessary highways must be kept open for continuous automobile traffic every hour of every day throughout the winter—*there must be no delay in breaking any snow blockades.*

KEEP HIGHWAYS FREE FROM SNOW

Our American Army of four million automobile trucks and passenger cars can be of tremendous assistance to the various State and local highway authorities in keeping the roads open for traffic.

Chambers of Commerce, Boards of Trade, Public Safety Committees, enlist your members to assist in hauling snow ploughs, shoveling out drifts, constructing windbreaks—above all, *keep the wheels moving;* a well-traveled road is hard to block.

CIVIC RESPONSIBILITY

We repeat: Necessary highways are those leading to communities that are now being relieved by motor truck transportation. *These highways must be kept open.*

It is not fair to burden the railroads where it is possible to use motor trucks.

THE AUTOCAR COMPANY, ARDMORE, PA.

Manufacturers of "The Autocar Motor Truck"